



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

PAM SLATER  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

DATE: February 24, 2004

TO: Board of Supervisors

SUBJECT: FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

### SUMMARY:

#### Overview

This report provides the status of the County's FY 2003-04 Operational Plan, an update on Firestorm 2003 recovery efforts, a proposal to extinguish certain SANCAL debt, recommendations for budget adjustments, revenue agreements and contract amendments, and a first look at the implications of the Governor's Proposed Budget for FY 2004-05 for the County of San Diego.

The current projected fund balance for the General Fund for FY 2003-04 is \$25.0 million, which is \$38.0 million less than the \$63.0 million we projected at the end of the 1<sup>st</sup> quarter. The decrease is related to both the loss of Vehicle License Fee revenue and various necessary unplanned expenses. More detail is provided in the background section below.

The County has made significant progress in recovery tasks for Firestorm 2003. Virtually all of the erosion control work related to County roads and private property has been accomplished and debris removal is approximately 30% complete. The dollars appropriated so far, however, are not sufficient to complete the work. It is requested that an additional \$10.1 million be allocated to the recovery efforts at this time for private property debris removal, erosion control and debris removal in County parks, burned vehicle removal, and building permit processing. More details are in the recommendations and background section below.

In light of the State Budget Crisis, this status report would not be complete without looking forward to Fiscal Year 2004-05. The Governor's Proposed Budget for FY 2004-05, if enacted, would be challenging for the County to implement due to the broad array of categorical programs that are being cut and the shift of property tax to

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the schools. We must, however, because of the severity of the State's budget problem and the lack of alternative proposals, use the Governor's Proposed Budget as the basis for the CAO's Proposed Operational Plan for Fiscal Years 2004-05 and 2005-06. While we will be examining all possible avenues to mitigate the loss of these revenues, it is likely that we will have no choice but to eliminate many positions from the County's workforce. We have been closely managing the filling of vacant positions in light of State Budget uncertainties, but it may become necessary to lay off an undetermined number of employees.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2003-04 second quarter report on projected year end results.
2. Waive Board Policy A-91, Mid-Year Budget Changes.
3. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery.
4. Establish appropriations of \$227,436 in Defense Attorney Contracts for the contract year two true-up payment based on Public Safety Group available fund balance. (4 VOTES)
5. Establish appropriations of \$10,522 in the Medical Examiner to purchase a Co-Oximeter for the Forensic Toxicology Laboratory based on Public Safety Group available fund balance. (4 VOTES)
6. Establish appropriations of \$168,000 in the Office of the Public Defender for document imaging based on Public Safety Group available fund balance. (4 VOTES)
7. Establish appropriations of \$142,316 in the Criminal Justice Facilities Construction Fund for transfer to the Contributions to Trial Courts office based on available fund balance. (4 VOTES)
8. Establish appropriations of \$142,316 in the Contributions for Trial Courts office for Major Maintenance Project MM3830 North County Regional Center boilers based on AB 189 Criminal Justice Facility Revenue. (4 VOTES)

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9. Establish appropriations of \$1,032,575 in the Criminal Justice Facilities Construction Fund for transfer to the Contributions to Trial Courts office based on available fund balance. (4 VOTES)
10. Establish appropriations of \$1,032,575 in the Contributions for Trial Courts office for Major Maintenance Project MM3828 Replacement of Downtown Courthouse air handler based on AB 189 Criminal Justice Facility Revenue. (4 VOTES)
11. Establish appropriations of \$463,178 in the Penalty Assessment Collection Fund for transfer to the Public Safety Group Executive office based on available fund balance. (4 VOTES)
12. Establish appropriations of \$463,178 in the Public Safety Group Executive office for Major Maintenance Project MP3316 replacement of ECRC chiller based on Penalty Assessment Revenue. (4 VOTES)
13. Cancel appropriations and corresponding Proposition 172 revenue in the amount of \$119,824 in Capital Project KK 8044, Sheriff's ASTREA Remodel.
14. Establish appropriations of \$119,820 in the Prop 172 Special Revenue Fund for an operating transfer to the General Fund based upon cancellation of prior year encumbrance 2AE2053A for KK 8044. (4 Votes)
15. Cancel appropriations and related general fund revenue in the amount of \$2,219 in the Criminal Justice Capital Outlay Fund, Capital Project KK 0686, Sheriff's Julian Substation.
16. Establish appropriations of \$122,043 in the Sheriff's Department to upgrade cameras and security lighting at the Descanso Detention Facility based on an operating transfer from the Proposition 172 Special Revenue Fund and fund balance made available from the closure of Capital projects. (4 VOTES)
17. Establish appropriations of \$230,627 in the Sheriff's Department to provide for Cal-ID program equipment based on unanticipated revenue from the Sheriff's Fingerprint ID Trust Fund. (4 VOTES)
18. Establish appropriations of \$47,529 in the Sheriff's Department for infrastructure needs at the Encinitas Station based on Fiscal Year 2002-03 Public Safety Group fund balance made available as a result of cancellation of a prior year encumbrance. (4 VOTES).

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19. Cancel appropriations and related revenue in the amount of \$1,100,000 within the Sheriff's Department Inmate Welfare Special Revenue Fund due to less than anticipated costs for inmate supplies and deferring fixed asset replacement for Inmate Welfare vocational programs.
20. Ratify the submission of the application by the Chief Administrative Officer and authorize the acceptance of \$9,405,000 from the United States Department of Justice through the Southwest Border Prosecution Initiative (SWBPI).
21. Establish appropriations of \$96,000 in the District Attorney's Salaries and Benefits based upon unanticipated revenue from Southwest Border Prosecution Initiative (SWBPI). (4 VOTES)
22. Establish appropriations of \$279,333 in the District Attorney's Office for Salaries and Benefits to provide grant match for CATCH program based upon unanticipated revenue from the Southwest Border Prosecution Initiative. (4 VOTES)
23. Establish appropriations of \$50,000 in the District Attorney's State Asset Forfeiture Fund for contributions to other agencies to support the analysis and evaluation of the San Diego Juvenile Literacy Project based on available fund balance. (4 VOTES)
24. Establish appropriations of \$5,000 in the District Attorney's Federal Asset Forfeiture Fund for contributions to other agencies for the North County Gangs Task Force for undercover expenses based on available fund balance. (4 VOTES)
25. Establish appropriations of \$5,200 in the District Attorney's Federal Asset Forfeiture Fund for services and supplies based on unanticipated revenue from the Jurisdictions Unified for Drug Gang Enforcement (JUDGE) Asset Forfeiture Trust Fund. (4 VOTES)
26. Establish appropriations of \$2,000 in the District Attorney's State Asset Forfeiture Fund to support additional security costs for the Kids/Teens in Court program based on available fund balance. (4 VOTES)
27. Establish appropriations of \$5,000 in the District Attorney's State Asset Forfeiture Fund for contributions to other agencies for the Jackie Robinson

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YMCA to support substance abuse and gang prevention programs based on available fund balance. (4 VOTES)

28. Establish appropriations of \$5,735,676 in management reserves based on Fiscal Year 2002-03 Health and Human Services available fund balance. (4 VOTES)
29. Ratify and authorize the Clerk of the Board to execute revenue agreements with the State Department of Education for CalWORKs child care stages 2, 3, and subsidized programs for the period July 1, 2003 through June 30, 2004 as follows:
  - State Contract # F2AP-3051 in the amount of \$6,468,923 and Amendment 01 in the amount of \$4,200,000 for Child Care Stage 2 and any amendment for cost of living adjustments that do not increase the total contract amount above \$11,202,369 or materially impact or alter the program
  - State Contract # F3TO-3053 in the amount of \$4,317,794 for Child Care Stage 3 and any amendments for cost of living adjustments that do not increase the total contract amount above \$4,533,684 or materially impact or alter the program.
  - State Contract # FAPP-3052 in the amount of \$3,559,282 and Amendment 01 reducing the contract amount by \$463,384 for the Child Care Block grant and any amendments for cost of living adjustments that do not increase the total contract amount above \$3,737,246 or materially impact or alter the program.
  - State Contract # G3TO-3053 in the amount of \$2,680,054 for Child Care Stage 3 and any amendments for cost of living adjustments that do not increase the total contract amount above \$2,814,057 or materially impact or alter the program.
  - State Contract # GAPP-3053 in the amount of \$969,070 and Amendment 01 in the amount of \$181,603 for the Child Development Program and any amendments for cost of living adjustments that do not increase the total contract amount above \$1,208,207 or materially impact or alter the program.
  - State Contract # G2AP-3051 in the amount of \$439,575 for Child Care Stage 2 and any amendments for cost of living adjustments that do not increase the total contract amount above \$461,554 or materially impact or alter the program.
30. Establish appropriations of \$860,179 in the Health and Human Services Agency, East Region, for CalWORKs Child Care Stage 3 programs based on

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unanticipated revenue from the Department of Education. (4 VOTES)

31. Approve and authorize the Clerk of the Board to execute the Certification Statement for the State Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment (CHDP/EPST) subvention in the amount of \$7,130,975.
32. Establish appropriations of \$6,485,708 in the Health and Human Services Agency for the In-Home Supportive Services Program, based on unanticipated revenue from the State Department of Social Services. (4 VOTES)
33. Establish appropriations of \$5,518,294 in the Health and Human Services Agency for information technology, based on additional revenue from the State CalWIN program. (4 VOTES)
34. Establish appropriations of \$759,121 in the Health and Human Services Agency, Aging and Independence Services, to augment Titles III, V Community Based Services to Seniors based on unanticipated revenue from the State Department of Social Services. (4 VOTES)
35. Establish appropriations of \$234,262 in the Health and Human Services Agency, Aging and Independence Services, Edgemoor Skilled Nursing Facility, in salary and benefits, based on revenue from Medi-Cal to comply with State Wage Pass Through regulations. (4 VOTES)
36. Ratify and authorize the Clerk of the Board to execute the Legacy Corps for Health and Independent Living revenue agreement #Q-253401 from the University of Maryland up to \$175,000 for the period of November 1, 2003 through October 31, 2005 and, subject to the approval of the Director of the Health and Human Services Agency or his designee, authorize the Clerk of the Board to execute subsequent amendments, extensions and renewals to the grant award when those documents are received from the University of Maryland and they do not materially impact or alter either the grant program or funding level.
37. Establish appropriations of \$50,000 in the Health and Human Services Agency for the Legacy Corps for Health and Independent Living program, based on unanticipated revenue from the University of Maryland Center on Aging. (4 VOTES)
38. Establish appropriations and revenue of \$250,000 in the Health and Human

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Services Agency for the Ex-Offender Program, based on fund balance available in the General Fund. (4 VOTES)

39. Adopt the Resolution titled "A Resolution of the Board of Supervisors of the County of San Diego Regarding the Administration of the 2004 and 2005 Community Services Block Grant".
40. Ratify and authorize the Clerk of the Board of Supervisors to execute, upon receipt, the Community Services Block Grant revenue agreement with the State Department of Community Services and Development in the amount of \$774,147 for the period of January 1, 2004 through December 31, 2005, and any additional amendments or extensions that do not increase the total contract amount above \$7,837,176 or materially alter the program, subject to the approval of the Director, Health and Human Services Agency.
41. Ratify and authorize the Clerk of the Board of Supervisors to execute the Revenue Agreement with the Poway Unified School District (\$38,000 annually) and San Ysidro School District (\$15,000 annually) for the provision of school-based mental health services to students who are emotionally disturbed, effective July 1, 2003 through June 30, 2008, and two one-year extensions, and to execute any additional amendments or extensions that do not materially alter the program, subject to the approval of the Director, Health and Human Services Agency.
42. Ratify and authorize the Clerk of the Board to execute, upon receipt, the grant and revenue agreement with San Diego Gas and Electric (SDG&E) in the amount of \$20,000 for the period July 1, 2003 through December 30, 2003, for the Cool Zones Program.
43. Authorize the transfer of one (1) Principal Administrative Analyst position from the Department of Public Works General Fund to the Department of Parks and Recreation.
44. Establish appropriations of \$38,000 in the Department of Parks and Recreation for District 2 Trails Funds based on fund balance available as a result of the cancellation of prior year encumbrance. (4 VOTES)
45. Establish appropriations of \$450,000 in the Department of Public Works, Detailed Work Program for North Bonita Street Improvements based on Road Fund fund balance available. (4 VOTES)

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46. Amend the Fiscal Year 2003-04 Department of Public Works Internal Service Fund Spending Plan - Equipment Operations Spending Plan by \$1,000,000 to increase an Operating Transfer Out for reimbursement to DPW Road Fund, based on fund balance available in the Internal Service Fund - Equipment Operations.
47. Establish appropriations of \$1,000,000 in the Department of Public Works Road Fund for staff support costs based on an Operating Transfer In from Department of Public Works Internal Service Fund – Equipment Operations. (4 VOTES)
48. Establish appropriations of \$400,000 in the Department of Public Works, Land Development for a consultant contract based on unanticipated revenue from developer deposits. (4 VOTES)
49. Establish appropriations of \$350,000 in the Department of Public Works, Land Development for vehicle usage based on unanticipated revenue from developer deposits. (4 VOTES)
50. Establish appropriations of \$230,000 in the San Diego Flood Control District for Central Avenue Drainage Improvement Project based on unanticipated revenue from Special Drainage Area fees. (4 VOTES)
51. Establish appropriations of \$26,772 in PRD 1011 La Cuesta for a prior year road project based on PRD 1011 La Cuesta Fiscal Year 2002-03 fund balance. (4 VOTES)
52. Amend the FY 2003-04 Department of Public Works Internal Service Fund Spending Plan – Equipment Acquisition - Airport Spending Plan by \$25,000 to increase depreciation based on fund balance in the Department of Public Works Internal Service Fund – Equipment Acquisition – Airport. (4 VOTES)
53. Amend the FY 2003-04 Department of Public Works Internal Service Fund Spending Plan – Equipment Acquisition – Road Fund Spending Plan by \$200,000 for depreciation costs, based on fund balance available in the Department of Public Works Internal Service Fund – Equipment Acquisition – Road Fund. (4 VOTES)
54. Amend the FY 2003-04 Department of Public Works Internal Service Fund Spending Plan – Equipment Acquisition – Inactive Waste Spending Plan to



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increase in the amount of \$120,000 for depreciation, based on fund balance available in the Department of Public Works Internal Service Fund – Equipment Acquisition – Inactive Waste. (4 VOTES)

55. Establish appropriations of \$88,968 in the Department of Public Works, Special Aviation Fund, Fallbrook Airport to reimburse the Airport Enterprise Fund for projects, based on fund balance available. (4 VOTES)
56. Establish appropriations of \$350,000 in the Department of Public Works, Special Aviation Fund, Ramona Airport to reimburse the Airport Enterprise Fund for projects, based on fund balance available. (4 VOTES)
57. Establish Appropriations of \$24,000 in the Airport Enterprise Fund for Capital Project K47LY1, Gillespie Field 27L RW, based on unanticipated revenue from Clauss Construction Company. (4 VOTES)
58. Establish Appropriations of \$23,590 in the Airport Enterprise Fund for Capital Project K47LY1, Gillespie Field 27L RW, based on fund balance available in the Airport Enterprise Fund. (4 VOTES)
59. Establish appropriations of \$15,000 in the Department of Environmental Health based on unanticipated revenue from a pollution prevention grant from the U.S. Environmental Protection Agency for the San Diego Area Green Business Program.
60. Cancel appropriations of \$12,169 and related revenues in the Department of Environmental Health to reflect the final negotiated amounts of contracts and grants for Fiscal Year 2003-2004.
61. Establish appropriations of \$29,500 in the Department of Environmental Health based on unanticipated revenue from the agreement with Gregory Canyon, LTD., to pay the technical review of an environmental consulting firm.
62. Transfer appropriations of \$356,792 from the Department of Environmental Health to the Department of Public Works, for Salaries and Benefits, related to the transfer of Stormwater functions.
63. Authorize the transfer of 4 positions (1) Environmental Health Specialist III, two (2) Environmental Health Specialists II and one (1) Environmental Health Technician from the Department of Environmental Health to the Department of

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Public Works.

64. Establish appropriations of \$7,646 in the Department of Environmental Health based on unanticipated revenue from an agreement with the California State Department of Health Services for beach water quality monitoring. (4 VOTES)
65. Cancel Appropriations and Related Proposition 12 Per Capita Grant Revenue of \$100,000 in the Capital Outlay Fund for Capital Project KN3417, San Dieguito Upper Picnic Improvements/Playgrounds, to correct budget error. The \$100,000 should have been budgeted as Park Land Dedication Ordinance (PLDO) Funds.
66. Establish Appropriations of \$100,000 in the San Dieguito Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the San Dieguito Upper Picnic Improvements/Playgrounds, based on Fund Balance Available in the San Dieguito Area PLDO Fund. (4 VOTES)
67. Establish Appropriations of \$100,000 in the Capital Outlay Fund for Capital Project KN3417, San Dieguito Upper Picnic Improvements/Playgrounds, based on an Operating Transfer from the San Dieguito Area Park Land Dedication Ordinance (PLDO) Fund. (4 VOTES)
68. Cancel Appropriations and Related Proposition 12 Per Capita Grant Revenue of \$100,000 in the Capital Outlay Fund for Capital Project KN3414, Felicita Park Improvements, to correct budget error. The \$100,000 should have been budgeted as Park Land Dedication Ordinance (PLDO) Funds.
69. Establish Appropriations of \$100,000 in the Escondido Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Felicita Park Improvements, based on fund balance available in the Escondido Area PLDO Fund. (4 VOTES)
70. Establish Appropriations of \$100,000 in the Capital Outlay Fund for Capital Project KN3414, Felicita Park Improvements, based on an Operating Transfer from the Escondido Area Park Land Dedication Ordinance (PLDO) Fund. (4 VOTES)
71. Cancel Appropriations and Related Proposition 12 Roberti-Z'Berg Grant Revenue of \$40,000 in the Capital Outlay Fund for Capital Project KN3416, Nancy Jane Park Swings, to correct budget error. The \$40,000 should have been budgeted as Park Land Dedication Ordinance (PLDO) Funds.

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72. Establish Appropriations of \$40,000 in the Crest Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Nancy Jane Park Swings Project, based on Fund Balance Available in the Crest Area PLDO Fund. (4 VOTES)
73. Establish Appropriations of \$40,000 in the Capital Outlay Fund for Capital Project KN3416, Nancy Jane Park Swings, based on an Operating Transfer from the Crest Area Park Land Dedication Ordinance (PLDO) Fund. (4 VOTES)
74. Cancel Appropriations and Related Proposition 12 Roberti-Z'Berg Grant Revenue of \$28,000 in the Capital Outlay Fund for Capital Project KN3418, South Lane Park Improvements, to correct budget error. The \$28,000 should have been budgeted as Park Land Dedication Ordinance (PLDO) Funds.
75. Establish Appropriations of \$28,000 in the Crest Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the South Lane Park Improvements, based on fund balance available in the Crest Area PLDO Fund. (4 VOTES)
76. Establish Appropriations of \$28,000 in the Capital Outlay Fund for Capital Project KN3418, South Lane Park Improvements, based on an Operating Transfer from the Crest Area Park Land Dedication Ordinance (PLDO) Fund. (4 VOTES)
77. Establish Appropriations of \$120,000 in the Bonsall Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Bonsall Park River Acquisition, based on fund balance available in the Bonsall Area PLDO Fund. (4 VOTES)
78. Establish Appropriations of \$27,768 in the Central Mountain Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Pine Valley Basketball/Tennis Improvements, based on fund balance available in the Central Mountain PLDO Fund. (4 VOTES)
79. Establish Appropriations of \$1,123 in the Valle De Oro Area Park Land Dedication Ordinance (PLDO) Fund, Operating Transfer Out, for the Cottonwood III Park Improvements, based on fund balance available in the Valle De Oro Area PLDO Fund. (4 VOTES)

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80. Cancel Appropriations and Related State Legislative Appropriations revenue of \$48,292 in the Capital Outlay Fund for Capital Project KN3106, Sweetwater Lakeview Project, to reflect the State's reduction in grant funding.
81. Establish Appropriations of \$160,872 in the Ramona Park Land Dedication Ordinance (PLDO) Fund, Contributions to Other Agencies for park improvements at Ramona Wellfield Community Park, based upon fund balance available in the Ramona PLDO Fund. (4 VOTES)
82. Establish Appropriations of \$175,000 in the Department of Parks and Recreation (Operating Transfer Out), for the Tijuana River Valley Habitat/Trail Restoration, based on unanticipated revenue from Fines and Forfeitures resulting from the ARCO settlement. (4 VOTES)
83. Establish Appropriations of \$175,000 in the Capital Outlay Fund for Capital Project KN3441 Tijuana River Valley Habitat/Trail Restoration, based upon an Operating Transfer from the General Fund. (4 VOTES)
84. Establish Appropriations of \$51,988 in the Department of Parks and Recreation based upon revenue from a grant from the California Nutrition Network to correct an error in budgeting. (4 VOTES)
85. Establish Appropriations of \$21,982 in the Capital Outlay Fund for Capital Project KA2973, Trail Easement Acquisition, based upon revenue from a grant from the Federal Forest Reserve Payments to correct an error in budgeting. (4 VOTES)
86. Establish Appropriations of \$24,793 in the Department of Parks and Recreation, based upon unanticipated revenue from a grant with the State Department of Parks and Recreation Habitat Conservation Fund. (4 VOTES)
87. Cancel Appropriations and Related Proposition 12 Per Capita Grant Revenue of \$8,500 in the Capital Outlay Fund for Capital Project KN3412, East County Sports Complex to correct an error in budgeting. The \$8,500 should have been budgeted in the Department of Parks and Recreation to cover the cost of the appraisal.
88. Establish appropriations of \$8,500 in the Department of Parks and Recreation, for the appraisal of the East County Sports Complex based on unanticipated

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revenue from Proposition 12 Per Capita Grant. (4 VOTES)

89. Establish appropriations of \$37,176 in the Department of Parks & Recreation, based on unanticipated revenue received from the City of San Diego for the debris clean up in the Tijuana River Valley (reference contract number 2CA38346). (4 VOTES)
90. Cancel appropriations of \$300,000 in the Department of Parks & Recreation, based on over-budgeted revenue for current year camping. (4 VOTES)
91. Establish appropriations of \$164,000 in the Air Pollution Control District based on fund balance resulting from the cancellation of FY 2002-03 Auditor's encumbrance for vehicle replacement. (4 VOTES)
92. Establish appropriations of \$75,000 in the Department of Parks and Recreation, for services related to the Donovan clean up project and Donovan clean up crews to assist in the clean up of the Tijuana River Valley Regional Park, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
93. Establish appropriations of \$31,616 in the Department of Parks and Recreation, for environmental studies for the Lakeside ball field project based on Fiscal Year 2002-2003 Land and Use Environment Group available fund balance. (4 VOTES)
94. Establish appropriations of \$100,000 in the Land Use and Environment Group for the Clean Beach Initiative, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
95. Establish Appropriations of \$120,000 in the Department of Parks and Recreation for additional administrative support based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
96. Establish appropriations of \$300,000 in the Land Use and Environment Group for shared major maintenance projects, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
97. Establish appropriations of \$120,000 in the Department of Parks and Recreation for the Grants Centralization project, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)

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98. Establish appropriations of \$300,000 in the Department of Planning and Land Use for the Sub Area Management Plans (SAMPS) based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
99. Establish appropriations of \$117,320 in the Department of Planning and Land Use for the GIS Tool for Document Management based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
100. Establish appropriations of \$131,000 in the Contribution to Capital Outlay Fund, Operating Transfer Out, for Capital Project KN2752, Otay River Valley Regional Park, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
101. Establish appropriation of \$131,000 in the Capital Outlay Fund for Capital Project KN2752, Otay Valley Regional Park (1/3 share) based on an Operating Transfer In from the General Fund. (4 VOTES)
102. Establish appropriations of \$8,000 in Services and Supplies in Agriculture Weights and Measures to fund the purchase of two Polymerase Chain Reaction Thermocycler (PCR), based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
103. Establish appropriations of \$187,000 in the Department of Environmental Health to fund County Counsel's costs, based on Fiscal Year 2002-2003 Land Use Environment Group available fund balance. (4 VOTES)
104. Direct the Auditor and Controller to establish an Environmental Health reserve designation in the amount of \$ 2,368,568 based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES).
105. Establish appropriations of \$17,000 in the Department of Environmental Health to fund a State of California settlement in the Radiation Control contract, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
106. Authorize the Auditor and Controller to increase the fund balance designation within the General Fund for the Building Code Enforcement by \$219,580 based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

107. Establish appropriations of \$35,000 in the Farm and Home Advisor to fund a pilot study assessing various methods of poultry manure management based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
108. Establish appropriations of \$205,000 in the Department of Environmental Health for the underground storage tank Local Oversight Program (LOP), based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
109. Establish appropriations of \$17,500 in the Department of Agriculture, Weights and Measures laboratory equipment based on Fiscal Year 2002-03 Land Use and Environment Group available fund balance. (4 VOTES)
110. Establish appropriations of \$1,000,000 in the Department of Planning and Land Use for the General Plan 2020, based on County General Fund, fund balance. (4 VOTES)
111. Establish appropriations of \$500,000 in the Department of Planning and Land Use for the Multi-Species Conservation Program based on County General Fund, fund balance. (4 VOTES)
112. Establish appropriations of \$114,000 in the Department of Environmental Health to fund additional information technology costs, based on Fiscal Year 2002-2003 Land Use Environment and Group available fund balance. (4 VOTES)
113. Establish appropriations of \$160,000 in the Department of Environmental Health to fund additional temporary Household Hazardous electronic waste events, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
114. Establish appropriations of \$107,000 in the Department of Environmental Health to fund one Environmental Health Specialist II for Underground Storage Tank compliance, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
115. Establish appropriations of \$125,044 in the Department of Environmental Health to fund the unanticipated increase in the County's contribution to the

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

Unified Disaster Council for funding the Hazardous Incident Response Team (HIRT) for Fiscal Year 2003-2004, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)

116. Establish appropriations of \$64,669 in the Department of Environmental Health to fund the student worker program, based on Fiscal Year 2002-2003 Land Use and Environment Group available fund balance. (4 VOTES)
117. Establish appropriations of \$103,000 in the Land Use and Environment Group for the performance management project, based on Fiscal Year 2002-03 Finance and General Government Group available fund balance. (4 VOTES)
118. Establish appropriations of \$1,500,000 in Department of Public Works General Fund, Watershed Protection Program for various stormwater capital projects, based on County General Fund FY 2002-03 fund balance. (4 VOTES)
119. Establish appropriations of \$3,100,000 in the Department of Public Works General Fund (Operating Transfer Out) for debris removal bins and for Road Fund salaries and benefits related to the October 2003 fires based on County General Fund, fund balance. (4 VOTES)
120. Establish appropriations of \$3,100,000 in the Department of Public Works, Detailed Work Program for debris removal bins and for Road Fund salaries and benefits related to the October 2003 fires based on an operating transfer from the General Fund. (4 VOTES)
121. Establish appropriations of \$1,750,000 in the Department of Public Works Detailed Work Program for emergency guardrail replacement based on unanticipated revenue from Federal Highway Administration (FHWA). (4 VOTES)
122. Establish appropriations of \$2,500,000 in the Department of Public Works Detailed Work Program to protect County maintained roads based on unanticipated revenue from Federal Highway Administration (FHWA). (4 VOTES)
123. Establish appropriations of \$5,500,000 in the Department of Parks & Recreation for fire related expenses based on County General Fund fund balance. (4 VOTES)



**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSTDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

124. Establish appropriations of \$1,000,000 in the Department of Planning and Land Use due to the increased workload as a result of the October Fires, based on County General Fund fund balance. (4 VOTES)
125. Establish appropriations of \$500,000 in the Department of Planning and Land Use for the burned vehicle towing services, based on County General Fund fund balance. (4 VOTES)
126. Establish appropriations of \$500,000 in the Department of Public Works, General Fund Landfill Closure Support (Operating Transfer Out) for burnsite remediation, based on County General Fund fund balance. (4 VOTES)
127. Establish appropriations of \$500,000 in the Department of Public Works, Inactive Waste Sites, for burnsite remediation, based on an operating transfer from the Department of Public Works -General Fund. (4 VOTES)
128. Authorize the transfer of two positions – one (1) from the Health and Human Services Agency and one (1) from the Department of Animal Control to the Land Use and Environment Group for the Performance Management team.
129. Establish Appropriations of \$89,787 in the Contributions to Capital Outlay Fund, Operating Transfer Out, for the Multiple Species Conservation Program, based on County General Fund, fund balance to correct a budgeting error. (4 VOTES)
130. Establish Appropriations of \$89,787 in the Capital Outlay Fund for Capital Project KA9500, Multiple Species Conservation Program, based on an Operating Transfer In from the General Fund. (4 VOTES)
131. Establish appropriations of \$2,000,000 in the Land Use and Environment Group for management reserves based on Land Use and Environment Group available fund balance. (4 VOTES)
132. Establish appropriations of \$50,000 in the Department of Animal Services for kennel lighting at the South County Animal Shelter based on revenue from the South Shelter Improvement Trust. (4 VOTES)
133. Establish appropriations of \$5,609,613, in the Community Services Executive Office, of \$321,423 for major maintenance and \$5,288,190 for Management Reserves based on Community Services Group available fund balance. (4 VOTES)

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

134. Establish appropriations of \$1,500,000 in General Fund Contribution to Facilities Services ISF based on Community Services Group available fund balance. (4 VOTES)
135. Establish appropriations of \$350,000 in General Fund Contribution to Facilities Services ISF for underground storage tank remediation based on Community Services Group available fund balance. (4 VOTES)
136. Amend the Department of General Services Facilities Management ISF spending plan in the amount of \$350,000 for underground storage tank remediation based on General Fund Contribution to Facilities Services ISF.
137. Amend the Department of General Services Facilities Management ISF spending plan in the amount of \$1,450,000 to fund postage, application services, and fixed assets based on revenues from customer departments for services provided.
138. Amend the Department of General Services Fleet Management ISF spending plan by a \$325,844 reduction associated with the transfer of 4.0 FTE budget and fiscal staff to the Facilities Management ISF.
139. Amend the Department of General Services Facilities Management ISF spending plan in the amount of \$325,844 associated with the transfer of 4.0 FTE budget and fiscal staff from the Fleet Management ISF.
140. Cancel appropriations of \$70,000 and related revenues in the Community Development Block Grant (CDBG) Housing Development Fund for the Health and Human Services Agency Cold Weather Shelter Voucher program. (4 VOTES)
141. Approve and authorize the reallocation of \$49,000 of Community Development Block Grant (CDBG) Housing Development funds to partially fund a staff position that coordinates special needs housing activities for FY2003-04.
142. Approve and authorize the reallocation of \$44,000 in Community Development Block Grant (CDBG) funds to the Reinvestment Task Force Operating budget from the Reinvestment Task Force Capital Collaborative.
143. Authorize the Director, Department of Housing and Community Development, to negotiate and execute, with County Counsel concurrence, any contract and/or amendments regarding the Community Development Block Grant Funds for the Reinvestment Task Force project, and take all necessary actions for the submittal and/or regulatory processing for implementation.
144. Establish appropriations of \$674,177 in the Housing and Community Development Special Revenue Fund for the Lead Grant Program based on

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSTDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

unanticipated revenue from the U.S. Department of Housing and Urban Development. (4 VOTES)

145. Establish appropriations of \$750,000 in General Fund Contribution to Purchasing ISF based on Community Services Group available fund balance. (4 VOTES)
146. Establish appropriations of \$2,170,000 in the Registrar of Voters to fund the costs of the October 2003 Governor's Recall election based on Community Services Group available fund balance (\$1,791,508) and unanticipated revenue from Recovered Expenditures (\$100,000) and Election Services (\$278,492). (4 VOTES)
147. Establish Appropriations of \$130,000 in Contributions to Capital Outlay Fund (Operating Transfer Out), for the Bonita Library, based on Community Services Group (\$65,000) and Finance and General Government Group (\$65,000) Fund Balance. (4 VOTES)
148. Establish Appropriations of \$130,000 in the Library Capital Outlay Fund for Capital Project KL9540, Bonita Library, based on an Operating Transfer from the General Fund. (4 VOTES)
149. Establish Appropriations of \$174,974 in the Penalty Assessment Collection Fund for transfer to Facilities Maintenance ISF based on available fund balance. (4 VOTES)
150. Amend the Department of General Services Facilities Management ISF spending plan in the amount of \$174,974 for the staff work associated with the County's preparation for the transfer of court facilities in accordance with the Trial Court Facilities Act of 2002, SB 1732 based on available Penalty Assessment Fund revenue.
151. Establish appropriations of \$139,109 in Board of Supervisors District 1 as follows: \$133,221 for one-time expenses in salaries and benefits and \$5,888 for one-time expenses in services and supplies based on Fiscal Year 2002-03 Finance and General Government Group available fund balance. (4 VOTES)
152. Establish appropriations of \$1,497 in Board of Supervisors District 2 for one-time expenses in services and supplies based on Finance and General Government Group available fund balance. (4 VOTES)

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

153. Establish appropriations of \$103,360 in Board of Supervisors District 3 for one-time expenses in salaries and benefits based on Finance and General Government Group available fund balance. (4 VOTES)
154. Establish appropriations of \$8,882 in Board of Supervisors District 4 for one-time expenses in services and supplies based on Finance and General Government Group available fund balance. (4 VOTES)
155. Establish appropriations of \$176,237 in Board of Supervisors District 5 for one-time expenses in salaries and benefits based on Finance and General Government Group available fund balance. (4 VOTES)
156. Establish appropriations of \$80,416 in Board of Supervisors General Office for one-time expenses in services and supplies based on Finance and General Government Group available fund balance. (4 VOTES)
157. Transfer appropriations of \$656,766 from the Finance and General Government Group Executive Office to the Department of Human Resources for application costs related to the PeopleSoft Payroll module.
158. Transfer the Group Information Technology Manager (class 000996) position from the County Technology Office to the Finance and General Government Group Executive Office.
159. Establish appropriations of \$1,981,499 in management reserves, based on Finance and General Government Group fund balance, as follows: Group Reserves, \$473,927; Chief Administrative Office, \$27,627; Human Resources, \$153,952; County Administration Center Major Maintenance, \$500,000; and County Counsel, \$825,993. (4 VOTES)
160. Establish appropriations of \$48,337 in County Counsel for salaries and benefits expenses related to incentive compensation payments, based on Finance and General Government Group available fund balance. (4 VOTES)
161. Establish appropriations of \$400,000 in Auditor and Controller for services and supplies expenses related to the development of WebFocus reporting functionality, based on Finance and General Government Group available fund balance. (4 VOTES)
162. Cancel appropriations of \$12,066,000 in the Pension Obligation Bond Fund and

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

related operating transfer from the General Fund.

163. Transfer appropriations of \$12,066,000 from Countywide General Expense to the Lease Payment Bond org for early redemption of SANCAL bonds.
164. Establish appropriations of \$24,474 in Media and Public Relations for management reserves based upon over-realized CATV Special Revenue Fund Balance. (4 VOTES)
165. Transfer 2 positions from the Health and Human Services Agency, Social Worker I (Class 5235) to the Auditor and Controller, Office of Revenue and Recovery.
166. Establish appropriations of \$10,000 in District 4 Community Projects based on revenue received from the return of a prior year's grant. (4 VOTES)
167. Ratify an amendment to the Fiscal Year 2002-03 spending plan for the General Services Fleet Internal Service Fund in the amount of \$212,597 for auto maintenance based on revenue from third party recoveries and fund balance available.
168. Ratify an amendment to the Fiscal Year 2002-03 spending plan for the Department of Public Works Equipment Acquisition Internal Service Fund in the amount of \$1,523 for depreciation based on fund balance available.

#### Fiscal Impact

The funds for a portion of these requests are not budgeted. These actions will cancel budgeted appropriations and the related sources of funding in the amount of \$14,320,848. If approved, these actions will establish additional appropriations of \$73,432,686 resulting in a net increase in appropriations of \$59,111,838. In addition, \$2,368,568 would be added to the Environmental Health fund balance designation and \$219,580 would be added to the Department of Planning and Land Use fund balance designation.

#### Business Impact Statement

N/A

#### Advisory Board Statement

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

The relevant items were presented to the various Health and Human Services Agency advisory boards for information.

**BACKGROUND:**

**Fiscal Year 2003-04 Fund Balance Projections**

For the General Fund, the second quarter projection of year-end fund balance is \$25.0 million, made up of an estimated \$34.3 million shortfall in General Purpose Revenues, \$32.0 million in savings from departmental operations, and \$27.3 million in unspent Contingency and Management Reserves. The projected balance for all other funds combined is \$41.8 million. Schedule A summarizes the fund balance projections by Group. The Notes to Schedule A explain variances from budget. Schedule B shows the projected General Fund fund balance by Group split between operating and reserve balances.

The overall projected fund balance of \$25.0 million for the General Fund is \$38.0 million less than the \$63.0 million projected in the first quarter status report. The lowered estimate is largely the result of a drop of \$49.0 million in projected year end balances in management and contingency reserves offset by improvements in departmental operating balances and in general revenues. The lowered projection for management and contingency reserves is due directly to the loss of vehicle license fees, the imposition of a portion of the State's Federal Child Support penalty on the County, the requirement for the County to remit a portion of undesignated court fees to the State, the costs of the unbudgeted gubernatorial recall election in October, the need to repair damage, remove debris and control erosion as a result of the October 2003 Firestorm, and the decision to proceed with the acquisition of fire and life safety helicopter.

The estimated \$34.3 million general purpose revenue loss represents a slight overall improvement from the \$37.3 million loss reported in the first quarter and is still primarily due to a shortfall in Vehicle License Fee (VLF) revenue as a result of the FY 2003-04 State Budget eliminating the backfill during the interim between when the fee restoration trigger was pulled in June, 2003 and September 30, 2003. In addition, the amount of VLF revenues going to Realignment was to be kept whole thereby reducing for that quarter the already lowered level of general purpose VLF. The loss of backfill for those three months is considered to be a "loan" from counties and cities and is supposed to be paid back in FY 2006-07. At issue currently is the amount of the loss in vehicle license fees. We originally estimated a loss of \$38.5 million (out of the \$195.0 million budgeted), but based on actual revenues received and contacts with State personnel, it is possible that our loss could be \$45.0 million. This apparent further drop may be due to processing delays on the part of the Department of Motor Vehicles, but to be conservative, we're assuming the \$45.0 million loss in our current estimates. Gains in other general purpose revenues, including property taxes and real property transfer taxes, have helped to mitigate the shortfall in vehicle license fees. Details are provided in the Notes to Attachment A.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

A cautionary note, however, is in order. Our current fund balance projections as well as the actions recommended in this letter assume that the State will be able to meet its budgetary plans for FY 2003-04 either through the passage of two propositions on the March ballot or Court validation of the legality of issuing deficit bonds as outlined in the State's adopted budget.

### **Firestorm 2003**

Firestorm 2003 burned nearly 400,000 acres and destroyed approximately 5,000 structures. The County has moved quickly to repair and safeguard public infrastructure such as roads and parks and assist private property owners in protecting their property by removing contaminated burn debris and installing erosion control devices to reduce risk of flooding and mudflows.

On November 4, 2003 (22), the Board approved the appropriation of \$3.0 million of Contingency Reserves to fund the initial response and recovery efforts for the fires. On December 9 (33), 2003 the Board approved \$9.5 million for private property debris removal and erosion control. In addition, the Department of Public Works is spending an additional \$4.7 million for fire recovery costs in the areas of guardrail replacement (\$1.7 million) and erosion control (\$3.0 million) in the road right of way.

Those appropriations, however, are insufficient to complete the work. The Department of Planning and Land Use is requesting supplemental appropriations of \$1.0 million for hiring of temporary staff to process the significant increase in permit applications for rebuilding of damaged or destroyed homes and \$.5 million for removing vehicles burned in the wildfires. The Department of Parks & Recreation is requesting \$5.5 million for fire related expenses to repair facilities and assist with on going operations. The Department of Public Works is requesting \$2.5 million for debris removal for bins in the road right of way and \$.6 million in salaries and benefits reimbursement for Homeowner Erosion Control.

Total costs for Firestorm 2003 are projected to be \$42.6 million. This amount includes the \$27.3 million itemized in the two preceding paragraphs, plus staff time and resources spent out of existing budgets and estimated future costs (over the next two to three years) such as permit fee waivers, structure repair and parkland restoration. Staff is working actively with State OES and FEMA to quantify these damages and prepare detailed project worksheets for reimbursement. This process is both time consuming and difficult as FEMA is requiring much up front and detailed documentation of each program to determine eligibility. Staff anticipates completing most of these project worksheets by the end of February. Reimbursement funding is expected to begin flowing to the County in March or April 2004.

### **Early Redemption of Debt**

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

The Fiscal Year 2003-04 Operational Plan includes approximately \$50.0 million in appropriations for accelerated pay down of the County's 2002 Pension Obligation Bonds (POBs) in order to free ongoing resources for other uses. Upon analysis and the advice of financial advisors, we are proposing to use about \$12 million of these appropriations for the early redemption of two SANCAL debt financings. One is the 1993 Series A capital project financing and the other is the 1993 Vista Refunding. The remaining appropriations are still earmarked for paying down the POBs, but using a portion of the appropriations to extinguish the SANCAL debt frees up more resources sooner than if we used the entire \$50.0 million to pay down the POBs. With the two SANCAL financings redeemed, \$3.4 million in ongoing general purpose revenues are freed for other uses.

#### **CAO's Proposed Operational Plan for Fiscal Years 2004-05 and 2005-06**

The State of California has a serious budget problem. There are not enough revenues to fund State services at the levels previously approved by the legislature. The gap is estimated to be \$14.4 billion in FY 2004-05. The Governor has submitted a proposed budget for FY 2004-05 that, if enacted, would close that gap, but would have widespread impacts on Californians' daily lives. Visitors to State parks, college students, K-12 students, recipients and providers of Medi-Cal services and In-home Supportive Services, and recipients of CalWORKS, SSI/SSP, physical, and mental health services, to name a few, would experience some combination of higher fees, lower benefits or payments and restricted access. Highway users would feel the impacts from delays in or elimination of various traffic congestion relief projects throughout the State.

Furthermore, the Governor's Proposed Budget directly cascades over 10% of the State's problems to local governments by shifting property taxes to schools to partially fulfill the Proposition 98 funding guarantee, eliminating the backfill for booking fees along with counties' authority to charge booking fees to cities and special districts, requiring counties to pay 25% of the State's federal child support penalty for not having a statewide system that's in compliance with federal regulations, deferring reimbursements for State mandated costs, reducing funding for juvenile probation and suspending the Proposition 42 allocation of sales tax on fuel to local governments for street and road rehabilitation. For the County of San Diego, the transference of a portion of the State's budget problems to local governments means a significant loss in the County's flexibility to respond to local needs. The property tax shift alone would mean an estimated loss of \$55.3 million in general purpose revenues or 14.8% of the property taxes we would otherwise expect to receive in FY 2004-05. These revenues are used to fund local discretionary programs in such areas as public safety, parks, libraries, public health and general government as well as to fund matching requirements for State and federal programs. We will strive to present the Board and public with a two-year Proposed Operational Plan for Fiscal Years 2004-05 and 2005-06 that meets the highest needs of the community. The Proposed Operational Plan will adhere to the County's standards for fiscal discipline and will contain reserves. As noted above, there is a high likelihood that we will be eliminating positions, some



**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/PSDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

of which may currently be filled. We have, however, taken the State's current and future budget uncertainties into account as we've managed our resources this fiscal year. We scrutinize the filling of all vacant positions in order to confirm continuity of funding and to minimize the potential for laying off employees in at risk program areas. As more information is available, we will return to the Board with specific recommendations.

### **FY 2003-04 Budget Adjustments**

The budget adjustment recommendations in this letter include technical adjustments as well as propose the appropriation of available fund balance for high priority one-time projects and for establishing a limited amount of management reserves for each Group and the Agency. There is a large number of adjustments at this time because in the First Quarter Operational Plan status report we recommended only adjustments necessary to reimburse departments for Quality First payments until we could reassess priorities in light of the October fires and the State's continuing budget uncertainties.

### **Recommendation 2**

A waiver of Board Policy A-91, Mid-Year Budget Changes is requested for the mid-year appropriation of funds. Adjustments are for high priority or critical one-time items and will not result in ongoing expenses or will result in ongoing savings.

### **Recommendation 3**

Requests a waiver of Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery because not all funding sources fully offset costs.

### **Recommendation 4**

On September 1, 2002, the County of San Diego entered into an Indigent Defense Services contract with the San Diego County Bar Association. The true up agreement was set to cover any caseload activity variances in excess of or short of the contract plan. The true up consisted of 717 over the contracted amount, which translated to a payment of \$227,436. This payment was made on 10/9/03 and this action is replacing appropriations.

### **Recommendation 5**

The purchase of the Co-Oximeter will allow the Forensic Toxicology Laboratory to run additional carboxy hemoglobin testing and decrease turn-around time for results. This test determines carbon monoxide exposure. Testing will be increased to encompass all motor vehicle accident deaths, fire deaths, and infant deaths in winter. Current method in use is very labor intensive.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 6**

This is a request to establish appropriations of \$168,000 in the Public Defender Department for the expansion of document imaging of case files to various Public Defender sites and for student worker interns to staff the project.

**Recommendations 7 & 8**

This request is to establish appropriations of \$142,316 in the Contributions Trial Courts for Major Maintenance Project MM 3830 North County Regional Center Boiler replacement based on revenue from the Criminal Justice Facility construction Fund (fund 300501). This project will replace water boilers.

**Recommendations 9 & 10**

This is a request to establish appropriations, based on revenue from the Criminal Justice Facility Construction Fund (300501), for Major Maintenance Project MM3828 replacement of the downtown courthouse air handler unit, which was not completed in FY 02-03. The original appropriations were established in Board action 3/11/03 (#17) in the amount of \$1,058,977. This action re-establishes the appropriations necessary to complete the project.

**Recommendations 11 & 12**

This is a request to establish appropriations, based on revenue from the Penalty Assessment Collection Fund (300500), for Major Maintenance Project MP3316 replacement of ECRC chiller and expend the controls, which was not completed in FY 02-03. The original appropriations were established in Board action 3/11/03 (#17) in the amount of \$639,193. This action re-establishes the appropriations necessary to complete the project.

**Recommendation 13**

This request cancels appropriations of \$119,824 remaining in KK 8044 and transfers the funds to the Sheriff's Major Maintenance Account. On June 9, 1998 (#5) the Board of Supervisors approved the establishment of Capital Project KK 8044 for replacement of the Sheriff's Aerial Support to Regional Enforcement Agencies (ASTREA) facility. This state-of-the-art facility has been completed.

**Recommendation 14**

This request establishes appropriations for an operating transfer from the Prop 172 Special Revenue Fund to the Sheriff's Major Maintenance Account based on fund balance made available by the cancellation of Capital Project KK 8044, Sheriff's ASTREA Remodel.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 15**

This request cancels appropriations of \$2,219 remaining in KK0686 and transfers the funds to the Sheriff's Major Maintenance Account. On August 11, 1998 (#3) the Board of Supervisors authorized the Chief Administrative Officer to negotiate the lease or purchase of space for a substation in Julian to replace the existing overcrowded leased facility. Capital project KK 0686 was established for the purpose of purchasing land and constructing a new substation. The Julian station has been completed.

**Recommendation 16**

This request appropriates the funds resulting from the closure of the ASTREA and Julian capital projects (\$122,043) for the upgrade of the fire alarm and installation of security cameras and lighting at the Descanso Detention Facility. These essential projects have been put on hold until funds could be identified.

**Recommendation 17**

This action establishes appropriations of \$230,627 that will enable the Sheriff's Department to upgrade the Automated Fingerprint Information System (AFIS) and expand the search capabilities of latent workstations at San Diego County law enforcement agencies. This will include searching latent palm prints against the California Department of Justice's Palm Print System database as well as searching latent fingerprints against the Federal Bureau of Investigations' Integrated Automated Fingerprint Identification System database.

On January 7, 2004, the San Diego County Cal-ID Remote Access Network Board recommended that the Board of Supervisors authorize the appropriation of funds to the Sheriff's Department based on revenue from the Sheriff's Fingerprint ID Trust Fund for Palm Print System Phase Two.

**Recommendation 18**

This action establishes appropriations that will enable the Sheriff's Department to fund facility improvements at the Encinitas Station. Originally, prior year encumbrance 3AE3022A for \$47,529 was carried forward to address parking needs at the Encinitas Station. Deletion of this encumbrance will provide fund balance funding for facility improvements including the remodel of the locker rooms, Community Oriented Policing area, detective area, and Crime Prevention Office, improved station security, and an evidence processing station. The Encinitas Station provides support to the Del Mar, Solana Beach and Encinitas cities as well as the unincorporated area of the County of San Diego. The funds will be used to improve the facility so it may better facilitate the delivery of the services to the communities it serves.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 19**

This action cancels appropriations of \$1,100,000 within the Sheriff's Department Inmate Welfare Special Revenue Fund due to less than anticipated costs for inmate supplies and deferring fixed asset replacement for Inmate Welfare vocational programs.

**Recommendation 20**

This is a request to ratify the application for Southwest Border Prosecution Initiative (SWBPI) funding and accept the funds. Counties were able to apply for reimbursement on May 23, 2003. The Office of the District Attorney prepared two applications on behalf of San Diego County, covering the time period of October 1, 2000 to June 30, 2003. The County has received payments totaling \$9,405,000 from the United States Department of Justice (DOJ). The SWBPI payments are one time reimbursement funds and may be used by applicant jurisdictions for any lawful purpose; however, jurisdictions are encouraged by the DOJ to use it for the direct support and enhancement of prosecutorial and detention services. Six million dollars of this unbudgeted revenue will be used to replace General Fund fund balance that was budgeted over two years to support the District Attorney's operations as the Office adjusts service and staffing to levels sustainable by ongoing funding. \$375,333 of the \$9.4 million is recommended to be appropriated now (see recommendations 21 and 22) with the remaining \$3.0 million to be reserved for future allocations.

**Recommendation 21**

This request to appropriate \$96,000 will fund a settlement agreement for various personnel actions approved by the Civil Services Commission and your Board.

**Recommendation 22**

This is a request to establish appropriations of \$279,333 in the office of the District Attorney to be used as a legislatively required match for the District Attorney's computer and Technology Crime High Tech Response Team (CATCH). The Board accepted State funding for CATCH on August 8, 2000 (#8) and December 3, 2002 (#31), understanding a 25% match was required. Some of the fiscal year 2002-03 funds for this program were not expended waiting to secure the required match. The Southwest Border Prosecution revenue of \$279,333 will serve as this match to the FY 2002-03 funds and will fund temporary staff serving the CATCH program.

**Recommendation 23**

The San Diego Juvenile Literacy Project contracts with private experts to provide educational instruction to youths to combat illiteracy at Camp Barrett-Youth Correctional Facility and Campo Juvenile Ranch Facility. The District Attorney received approval from the Board on May 13<sup>th</sup>, 2003 (18) for the first contribution of \$50,000. Approval for this second contribution of \$50,000 will support various activities surrounding the analysis and evaluation of the project, which will be conducted by an outside agency.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 24**

The North County Gangs Task Force was established in 1995 as a multi-agency response to increases in crimes of violence and narcotic trafficking by gang members. Approval of this request will provide funds to the Task Force for their ongoing needs associated with undercover operations.

**Recommendation 25**

The Jurisdictions Unified for Drug Gang Enforcement (JUDGE) program was established fourteen years ago to target, apprehend, and prosecute gang members involved in drug use and sales. Approval of this request will provide the purchase of safety vests and other equipment for the task force.

**Recommendation 26**

This request is to appropriate \$2,000 from the District Attorney's State Asset Forfeiture Fund to support the Kids/Teens in Court program. The Kids/Teens in Court program is an after business hours program facilitated by the Office of the District Attorney designed to introduce youth, who will be testifying on a particular case, to the courtroom environment. This expense is an appropriate use of State Asset Forfeiture funds.

**Recommendation 27**

This request is to appropriate \$5,000 from the District Attorney State Asset Forfeiture Fund to support substance abuse and gang prevention programs for both youth and adults offered by the Jackie Robinson YMCA. The District Attorney is committed to enhancing the quality of life of San Diego County citizens by supporting efforts to prevent substance abuse and gang involvement in youth, and to provide support to their parents. These services are offered to communities in need by the Jackie Robinson YMCA of San Diego County. The funds requested in this action will support programs serving both youth and adults offered by the Jackie Robinson YMCA. This expense is an appropriate use of State Asset Forfeiture funds.

**Recommendation 28**

Approval of this recommendation will appropriate \$5,735,676 of Fiscal Year 02-03 Fund Balance into the Health and Human Services Agency Management Reserve.

**Recommendation 29 & 30**

These recommendations request Board approval to accept \$22,352,917 in revenue agreements, including \$4,246,571 for the Child Care and Development Block Grant Program and Child Development Program and \$18,106,346 of Stage 2 and Stage 3 contract revenue funding. The Health and Human Services Agency Operational Plan for FY03/04 includes approximately \$21.5 million for the above programs. "Welfare to Work in San Diego County," the welfare strategic plan approved by the Board of Supervisors on August 6, 1997 (5), identifies childcare as

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSTD SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

essential to the success of the County's welfare reform and the Agency administers the program for CalWORKs recipients whose Welfare-to-Work participation and need for childcare has stabilized, or for former CalWORKs recipients who are employed and transitioning off cash aid. This revenue will enable the County of San Diego to continue to provide childcare payments directly to childcare providers who care for the children of eligible families, thereby reducing the need for public assistance. The Child Care and Development Block Grant Program, the Child Development Program and the Stage 2 and Stage 3 Program provide monthly childcare to approximately 1,706 families (305, 91 and 1,310, respectively).

### **Recommendation 31**

The Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment (CHDP/EPSTD) program provides community-based preventive and early intervention health services to low-income children. This recommendation requests execution of the Certification Statement with the State Division of Children's Medical Services. Funding for this request is included in the FY 2003/04 Operational Plan. Of the total \$7,130,975 amount, \$4,952,147 is for the CHDP/EPSTD program, and \$2,178,828 is for the CHDP Foster Care program. This funding will provide for:

- facilitating 150,000 well-child exams for low-income children by community CHDP providers;
- follow-up on 95% of high-risk health problems identified on CHDP well-child exams;
- achieve a 95% compliance rate with the State-mandated health check-up school entry requirement for 40,000 San Diego first graders;
- serve 100,000 clients on the Maternal, Child and Family Health Services toll-free line to facilitate enrollment and retention of 226,900 children into low/no-cost health care by June 30, 2004;
- coordinate the Health and Human Services Agency's Access to Care Integration projects, integrating children's health coverage information into 23 existing county systems working with uninsured children and their families;
- facilitate emergency and preventive dental care for 700 San Diego children;
- initiate 2,300 new Health and Education Passports and complete 24,000 Health Passport entries to ensure medical continuity for foster children;
- provide 22,000 consultations and 100 trainings to 3,000 Child Welfare Services caseworkers, substitute care providers and health care providers.

### **Recommendation 32**

This recommendation appropriates additional federal revenue of \$6,485,708 that is available from a short-term increase in the federal match for IHSS.

### **Recommendation 33**

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

This recommendation increases appropriations and revenue by \$5,518,294 to allow for purchase of equipment and funding of subject matter expert positions and consultant services during development and implementation of the CalWIN program. The CalWIN program has been in development for several years, and will replace the existing Welfare Client Data System (WCDS). The WCDS is a data base system that determines client eligibility for various welfare programs, supplies statistical reports to the State and issues warrants to eligible participants. The WCDS also interfaces with other County systems such as Child Support, Revenue and Recovery, and Geographical Information System. The equipment to be purchased includes personal computers, servers, and software. The subject matter expert positions are four existing County staff that have expert knowledge of the WCDS program. The consultant services will work with the subject matter experts in the development and implementation of the CalWIN program. Implementation of the "pilot" county is scheduled for February 2005, with San Diego County implementation expected in March 2006.

#### **Recommendation 34**

The Older Americans Act, Titles III, V, and the Community Based Services Program provide federal and State funding for transportation, nutrition, caregiver, employment and other services for seniors. This recommendation will add appropriations in the amount of \$759,121 to match the previously approved revenue agreements and the State allocations for FY 2003-04. On June 17, 2003 (15), the Board approved the Fiscal Year 2003-04 State revenue agreements for senior programs.

#### **Recommendation 35**

This recommendation increases appropriations and revenue by \$234,262, based on additional Medi-Cal revenue for the mandated Wage Pass-Through program. The State provides additional compensation to certain classifications of staff that provide direct care to residents at Edgemoor Skilled Nursing Facility. The intent of the wage pass-through is to improve the quality of care and retain qualified personnel by increasing salaries and benefits of direct care providers. Facilities that fail to comply with the wage pass-through will be subject to penalties equal to 10% of the funds not distributed.

#### **Recommendations 36 & 37**

The University of Maryland Center on Aging (UMCA) has awarded to Aging and Independence Services a \$175,000 grant for 24 months to design an intergenerational volunteer services model. This recommendation ratifies and authorizes execution of a contract and establishes current year appropriations in the amount of \$50,000, and subsequent year appropriations in the amount of \$100,000 (04/05) and \$25,000 (05/06) based on a revenue agreement. Required matching funds will be met with already-budgeted Older Americans Act revenue and in-kind volunteer services. The focus will be the development of community service team models consisting of seniors,

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

foster youth or at risk youth from disadvantaged communities to provide respite services to the caregivers in the community. Stipends will be provided for 26 foster youth and seniors.

### **Recommendation 38**

This recommendation establishes appropriations for the Ex-Offender Program as directed by the Board during budget deliberations in June, 2003. This program provides post-release services to enable employment opportunities and provides other support services to persons recently released from incarceration.

### **Recommendations 39 & 40**

These recommendations request Board approval to accept \$774,147 in revenue agreements from the federal Community Services Block Grant (CSBG). The federal CSBG is distributed to states to fund Community Action Programs and the County of San Diego receives an allocation dedicated to assisting low-income persons to become self-sufficient. The County contracts with community-based agencies to implement the Family Self-Sufficiency program, as defined and described in the County's Community Action Plan and approved by the Board of Supervisors on July 29, 2003 (13) for the years 2004 and 2005.

For the calendar year 2003 Family Self-Sufficiency contracts, the goal was to serve 1,781 families, and 1,957 were actually served. The result as of December 31, 2003 was 73% of those in Adult Employment improved to a status of stable or self-sufficient, exceeding the goal of 25%.

Based on a competitive procurement process new contracts were awarded effective in January 2004. The Adult Employment outcome objective is that 50% of families assessed as "in crisis" or "vulnerable" will achieve a status of "stable" or "self-sufficient".

### **Recommendation 41**

On November 14, 2000 (6), the Board of Supervisors authorized the Clerk of the Board to ratify and execute revenue agreements with the San Ysidro School District and the Poway Unified School District. The Board's authorization expired on June 30, 2003. Continued authorization is needed to maintain school-based mental health services provided by Behavioral Health Group for San Ysidro School District in the amount of \$15,000 annually, and Children's Hospital and Health Center for the Poway Unified School District in the amount of \$38,000 annually. The effective dates of the new agreements are July 1, 2003 through June 30, 2008.

### **Recommendation 42**

On May 22, 2001 (1), the Board directed the Chief Administrative Officer to identify and prepare "cool zones" at libraries, community and senior centers, and private sector and faith-based facilities throughout the county. On December 4, 2001 (4), the Cool Zones Project was



**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

initiated. Today's request asks the Board to ratify and authorize the Clerk of the Board to execute the grant and revenue agreement with SDG&E. To further the cool zones effort, the Health and Human Services Agency, Aging and Independence Services submitted a proposal to the Public Utilities Commission and has been awarded \$20,000 in funding administered through SDG&E that enhanced cool zones for the summer of 2003. Today's request asks the Board to ratify and authorize the Clerk of the Board to execute the grant and revenue agreement with SDG&E. The funds provided transportation to cool zone sites; provided community outreach, education, and public awareness of cool zones; increased operating hours of sites offering cool zone services; and, through a cooperative effort with the City of San Diego and SDG&E, allowed for the purchase and distribution of fans to at-risk seniors and disabled persons.

**Recommendation 43**

This recommendation transfers a Principal Administrative Analyst (PAA) position from the Department of Public Works to the Department of Parks and Recreation to oversee the accounting for Parks projects.

**Recommendation 44**

This recommendation establishes District 2 Trails funds to the Department of Parks and Recreation. In Fiscal Year 2003-04, the Department of Parks and Recreation assumed responsibility for maintaining County trails.

**Recommendation 45**

Construction for the North Bonita Street Improvements Project was previously approved in Fiscal Year 2002-03 (RE: April 9, 2003 item 6). The appropriations were not encumbered at the end of the fiscal year and subsequently did not carry over into the current fiscal year. This request re-establishes appropriations based on Road Fund Fiscal Year 2003-03 fund balance.

**Recommendations 46 & 47**

These actions reimburse the Road Fund for maintenance paid to the Department of Public Works Internal Service Fund Equipment - Operations Funds. The appropriations will help offset increased costs due to the October 2003 Fires.

**Recommendation 48**

This is a request for consultant services on an as-needed basis during peak developer project workloads for map and plan checks. This item is revenue offset by developer deposits.

**Recommendation 49**

This request adds appropriations for vehicle usage and is offset by developer deposits. This is a correction to the budget.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 50**

This request establishes appropriations for the Central Avenue Drainage Improvement Project for a design consultant and for right-of-way acquisition based on revenue from the Miscellaneous Deposit Trust Fund YDC0003 Special Drainage Area 3.

**Recommendation 51**

This is a request to add funding for a prior year invoice that was not budgeted for in the current year Operational Plan, based on PRD 1011 La Cuesta Fiscal Year 2002-03 fund balance available.

**Recommendations 52 - 54**

These recommendations establish additional appropriations for depreciation in the respective Internal Service Funds - Equipment Acquisitions based on fund balance available. This is a correction to the budget.

**Recommendation 55**

This action will allow sufficient appropriations in the Special Aviation fund to reimburse the Airport Enterprise Fund for Fallbrook Waterline (\$79,970) and Fallbrook Taxilane (\$8,998) project expenditures. State funds for these projects were received in prior fiscal years.

**Recommendation 56**

At the time the FY 03-04 budget was being prepared the amount of funding to be carried over from prior fiscal years for the Ramona Sewer Line and Tower projects was underestimated for the Special Aviation Fund budget. This action will provide sufficient appropriations based on fund balance available from State loan dollars to reimburse the Airport Enterprise Fund for capital project expenditures.

**Recommendation 57 & 58**

These recommendations establish additional appropriations for Capital Project K47LY1, Gillespie Field 27L RW to cover current year shortfalls based on unanticipated revenue from Clauss Construction for contract termination.

**Recommendation 59**

These funds will be used in support of the San Diego Area Green Business Program for program development, business and public educational materials and training opportunities for small and medium size businesses.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 60**

This recommendation is needed to adjust budgeted revenue and appropriations in the Dept. of Environmental Health to reflect the final negotiated amount of revenue agreements and grants for Fiscal Year 2003-2004. These programs include Mission Bay Water Sampling, Summer Food Inspection and Local Enforcement Agency program for Solid Waste.

**Recommendation 61**

The Department of Environmental Health, acting as the Solid Waste Local Enforcement Agency (LEA), has only one permitting specialist available for this project, but there is a significant volume of documents that must be reviewed within 30 days of the LEA's receipt of the application. Therefore, the LEA needs assistance from an environmental consultant to review the application package.

**Recommendation 62 & 63**

These recommendations transfer the funding for 4 vacant positions, one (1) Environmental Health Specialist III, two (2) Environmental Health Specialists II and one (1) Environmental Health Technician, to perform enforcement functions related to the County Stormwater program to the Department of Public Works General Fund.

**Recommendation 64**

This recommendation reflects services provided for public beach water quality monitoring in the month of July at Los Penasquitos Lagoon and San Elijo Lagoon to help determine the extent and magnitude of any beach water contamination due to contaminated flows from lagoons.

**Recommendations 65 - 67**

These recommendations correct an error in budgeted funding source for Capital Project KN3417, San Dieguito Upper Picnic Improvements/Playgrounds, from Proposition 12 Per Capita grant revenue to Park Land Dedication Ordinance funds in the amount of \$100,000.

**Recommendations 68 - 70**

These recommendations correct an error in budgeted funding source for Capital Project KN3414, Felicita Park Improvements; from Proposition 12 Per Capita grant revenue to Park Land Dedication Ordinance funds in the amount of \$100,000.

**Recommendations 71 - 73**

These recommendations correct an error in budgeted funding source for Capital Project KN3416, Nancy Jane Park Swings, from Proposition 12 Roberti-Z'Berg Harris grant revenue to Park Land Dedication Ordinance funds in the amount of \$40,000

**Recommendations 74 - 76**

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

These recommendations correct an error in budgeted funding source for Capital Project KN 3418, South Lane Park Improvements, from Proposition 12 Roberti-Z'Berg Harris grant revenue to Park Land Dedication Ordinance funds in the amount of \$28,000.

**Recommendation 77**

This recommendation establishes appropriations of \$120,000 in the Bonsall Area Park Land Dedication Ordinance (PLDO) Fund for parkland acquisition that were included in the Operational Plan for FY2002-2003, however were inadvertently not encumbered prior to year-end. These funds have reverted back to the fund balance, and are being reestablished via this action.

**Recommendation 78**

This recommendation establishes appropriations of \$27,768 in the Central Mountain Area Park Land Dedication Ordinance (PLDO) Fund that were included in the Operational Plan for FY2002-2003 for the Pine Valley Basketball/Tennis Improvements, however were inadvertently not encumbered prior to year-end. These funds have reverted back to the fund balance, and are being reestablished via this action.

**Recommendation 79**

Establish Appropriations of \$1,123 in the Valle De Oro Area Park Land Dedication Ordinance (PLDO) Fund, for the Cottonwood III Park Improvements, however were inadvertently not encumbered prior to year-end. These funds have reverted back to the fund balance, and are being reestablished via this action.

**Recommendation 80**

This recommendation cancels appropriations and related State Legislative Appropriations revenue in the amount of \$48,292 in the capital Outlay Fund for Capital Project KN3106, Sweetwater Lakeview Project, to reflect the State's reduction in grant funding.

**Recommendation 81**

This recommendation reestablishes \$160,872 in appropriations in the PLDO fund for improvements at Ramona Wellfield Community Park that were established via Board action on April 17, 2002 (14), however inadvertently not encumbered prior to year end. The funds reverted back to the fund balance and are being established again via this action.

**Recommendations 82 & 83**

These recommendations establish \$175,000 in appropriations and related revenue in the Capital Outlay Fund for Capital Project KN3441, Tijuana River Valley Habitat/Trail Restoration. This revenue was received by the County through a settlement with ARCO for failing to properly operate leak detection equipment of underground storage tanks.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 84**

This recommendation establishes appropriations in the Department of Parks and Recreation based upon revenue from a grant from the California Nutrition Network that should have been included in the Operational Plan for FY2003-2004.

**Recommendation 85**

This recommendation establishes appropriations of \$21,982 and related revenue from the Federal Forest Reserve Payments in Capital Project KN2973, for trail easements.

**Recommendations 86**

This recommendation establishes appropriations of \$24,793 and related revenue from the California Department of Parks and Recreation Habitat Conservation Fund in the Department of Parks and Recreation for the Outdoor Adventures Program in the recreational centers.

**Recommendations 87 & 88**

These recommendations cancel \$8,500 in appropriations and related Roberti-Z'Berg Harris grant revenue in the Capital Outlay Fund for Capital Project KN3412, East County Sports Complex, and reestablishes the appropriations and revenue in the Department of Parks and Recreation for the purpose of funding the appraisal of the property.

**Recommendation 89**

This recommendation establishes appropriations of \$37,176 for the clean up of the Tijuana River Valley areas, that were included in the Operational Plan for FY 2002-2003, however were inadvertently not encumbered prior to year-end. The funding source is the City of San Diego.

**Recommendation 90**

This recommendation cancels current year appropriations of \$300,000 due to the over-budgeted revenue for current year camping.

**Recommendation 91**

In FY 2002-03, Air Pollution Control District scheduled the replacement of six old vehicles used for monitoring and other field work activities, and included \$164,000 in the FY 2002-03 District Operational Plan. Purchases were not made during that fiscal year due to vehicle models identified for purchase were either not available or the manufacturer no longer accept orders for "build out." This is a request to establish appropriations of \$164,000 to purchase six replacement vehicles in the current fiscal year. Funding will come from the District Fund Balance resulting

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSTDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

from the cancellation of the Auditor's encumbrances that were established during FY 2002-03 setting aside the funds earmarked for vehicle purchases.

**Recommendation 92**

This recommendation reestablishes appropriations of \$75,000 in the Department of Parks and Recreation that were received from Supervisor Cox on April 29, 2003 (5) for services related to and provided by the Donovan clean up crews to assist in the clean up of the Tijuana River Valley Regional Park, however funds were inadvertently not encumbered prior to year end.

**Recommendation 93**

This recommendation reestablishes in the Department of Parks and Recreation the remaining funds left from \$63,000 in appropriations that were received from Supervisor Jacob on April 14, 2003 (14), for environmental review of the site selected for the East County Sports Complex. \$31,384 of the \$63,000 received was spent, however \$31,616 was inadvertently not encumbered within the department.

**Recommendation 94**

This request is to establish appropriations for the Clean Beach initiative in the Land Use and Environment Group.

**Recommendation 95**

Establish appropriations in the Department of Parks and Recreation to fund the Principal Administrative Analyst position to assist in the additional administrative support responsibilities.

**Recommendation 96**

This request is to provide the necessary funds for shared major maintenance projects of the Land Use and Environment Group's departments.

**Recommendation 97**

This request is to fund the costs of the Land Use and Environment Group's grant centralization program. This program has already benefited the Group/County by coordinating and assisting in the submission of close to \$18 million in grant proposals and winning awards on \$6.8 million, year to date.

**Recommendation 98**

An additional \$300,000 in one-time funding is needed in the Department of Planning and Land Use to fund a consultant contract to complete the Otay River Special Area Management Plan (SAMP).

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 99**

This request will allow the Department of Planning and Land Use to change the way it receives, distributes, edits, and stores project documents. DPLU will be converting and indexing up to 139 different forms used in the DPLU permit processing area. The County has chosen Documentum 4i Content Management and Workflow services to be the repository and business process automation software to assist in sharing digitized DPLU forms, related documents, and maps.

**Recommendations 100 & 101**

These recommendations establish appropriations of \$131,000 in the Capital Outlay Fund Capital Project KN2752, Otay Valley Regional Park, based upon Fund Balance from FY2002-2003. These funds will be used in a cooperative effort between the County of San Diego Department of Parks and Recreation and the Cities of San Diego and Chula Vista for the development of a Ranger Station, and the purchase of equipment, vehicles and fencing.

**Recommendation 102**

This request is for the replacement of the obsolete thermocycler in the Agriculture, Weights and Measures laboratory. The foundation of biotechnology is the understanding and manipulation of DNA. A tool used in this process is the polymerase chain reaction thermocycler (PCR.) The laboratory's PCR is over 10 years old and no longer functions reliably. It is a critical part of our infectious disease-detection program and is used for the diagnosis of plague, psittacosis, Lyme disease, tularemia, and West Nile Virus as well as other diseases important to human and animal medicine. PCR technology has changed dramatically in the last 10 years, and it is becoming impossible to repair or find parts for our current machine. Newer machines are much more efficient, more precise and require less technologist time for use and maintenance.

**Recommendation 103**

This will fund unanticipated costs related to reimbursement of County Counsel for legal services provided upon request from DEH.

**Recommendation 104**

The Department of Environmental Health (DEH) would like authorization to establish a fund balance designation. This would allow the designation of any excess revenue over cost each fiscal year for use in a subsequent fiscal year when costs exceed revenue. The designation would ensure that excess revenue over cost paid by DEH customers is used only to fund expenses in DEH. The amount in the designation would be used to fund one time expenses and to defer the need for fee increases.

**Recommendation 105**

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

This request will cover the cost of a settlement with the State of California, Department of Health Services. This is the result of an audit conducted on the Radiation Control contract, where changes to contract line items requiring written approval were disallowed by the auditors.

**Recommendation 106**

This request will increase the Department of Planning and Land Use's Building/Code Enforcement Reserve Designation by \$219,580.

**Recommendation 107**

This recommendation establishes funding for a study to address the problem of flies and other nuisances caused by poultry manure. A comprehensive study will be conducted, including recommendations for control measures to be implemented for the management of poultry manure.

**Recommendation 108**

Revenue from a State contract for the underground storage tank Local Oversight Program in the Land & Water Quality Division of Environmental Health has been debited \$205,000 in FY03-04 to offset an over accrual of revenue in Fiscal Year 2002-2003, due to an over estimate of billable costs.

**Recommendation 109**

This request will allow the purchase of a biocontainment hood. This is a new resource needed by this laboratory to safely handle emerging disease threats. For example, the SDCADDL assists a state-wide effort to diagnose these virulent diseases. Using an egg-inoculation procedure, samples are analyzed for infective virus. A biocontainment hood is badly needed to process these samples and to prevent the risk of contamination and infection.

**Recommendation 110**

The General Plan 2020 (GP 2020) is a comprehensive update of the San Diego County General Plan, establishing future growth and development patterns for the unincorporated areas of the County. The \$1.0 million in one-time funding is needed for staff and contract costs for Fiscal Year 2003-2004.

**Recommendation 111**

Staff currently is developing the North County Subarea Plan of the MSCP and will be contracting with a consultant to prepare the environmental impact report and environmental impact statement, finalize the text of the plan, implementing agreement and mitigation and monitoring program. Staff also anticipates beginning the planning process for the East County Subarea Plan this spring.



**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 112**

These funds will pay for consulting services to develop and update the Department of Environmental Health's Information Technology Strategic Plan and automate Food and Housing inspections using TeleForm. Additionally, these funds will be used to cover long-term filing needs, in light of current and planned Document Management projects.

**Recommendation 113**

The Department of Environmental Health plans to hold additional Household Hazardous electronic waste events at various locations in the unincorporated area of San Diego County.

**Recommendation 114**

This request will fund one Environmental Health Specialist II in the Hazardous Materials Division to comply with Underground Storage Tank regulations.

**Recommendation 115**

This request will cover the unanticipated increase in the County's contribution to the Unified Disaster Council for funding the Hazardous Incident Response Team (HIRT) for fiscal year 2003-2004.

**Recommendation 116**

This recommendation transfers appropriations to the Department of Environmental Health to fund their award-winning student internship program, which encourages diversity while promoting the Department's vision, mission and values.

**Recommendation 117**

This request will allow the County to continue in the implementation of the general management system via the up to date reporting mechanism allowed with PBViews.

**Recommendation 118**

This recommendation will provide funding for various stormwater capital projects. Remote hydrology/water quality monitoring stations will be purchased to augment the existing ALERT Network. A real time GPS network, consisting of permanent "Continuous Operational Reference Stations" (CORS) will provide both County and private surveyors the ability to receive real-time data through cellular modems attached to a personal computer and obtain instantaneous three-dimensional position fixes in near real-time centimeter level accuracy. The Palomar Airport water quality basin project will control and enhance quality of water leaving Palomar Airport, an industrial facility. This will assist the Airport in meeting its water quality objectives and aid/support future redevelopment activities, which are required to meet stringent RWQCB regulations. The Hillsdale Road Natural Drainage System Improvements project involves replacing the existing undersized culvert and improving the downstream natural

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

channel so that it will allow for biofiltration. The Woodside Avenue Water Quality Basin project involves replacing the existing storm drain system through Woodside Avenue and State Route 67 to accommodate 100-year rain events. A water quality extended detention basin (EDB) is proposed for the area adjacent to Woodside Avenue.

#### **Recommendations 119 & 120**

These recommendations reimburse the Department of Public Works Road for debris removal bins and salaries and benefits related to the October 2003 fires. The funding source is General Fund fund balance.

#### **Recommendations 121 & 122**

On 12-9-03 item #37, the Board approved emergency guardrail replacement, and erosion control efforts required to protect road County maintained roads. These two recommendations request appropriations for those emergency efforts. The funding source is unanticipated revenue from the Federal Highway Administration. (FHWA).

#### **Recommendation 123**

This recommendation establishes appropriations of \$5,500,000 for fire related expenses based on fund balance available from fiscal year 2002-03. Appropriations will be allocated as follows: \$3,000,000 to Parks Operations and \$2,500,000 to Open Space.

#### **Recommendation 124**

In an effort to manage the significant increase in customers requesting building permits due to Firestorm 2003 (fire rebuild), the Department of Planning and Land use has begun hiring temporary staff and increasing overflow plan check contracts. An additional \$1.0 million in one-time funding is needed in Fiscal Year 2003-2004 to cover these costs. It is anticipated that an additional \$4.3 million will be needed over the next two years (FY 2004-05 and FY 2005-06) to address the fire rebuild workload.

#### **Recommendation 125**

Due to Firestorm 2003 the Department of Planning and Land Use has seen an increase in Abandoned Vehicle Abatements (AVA). It is anticipated that \$500,000 in one-time funding is needed for towing services in the fire area.

#### **Recommendations 126 & 127**

In order to continue to meet environment preservation and remediation needs in San Diego County, funds are required for testing, purchasing and remediation of burnsites to address contamination.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 128**

This request will transfer two positions authorize the transfer of two positions – one (1) from the Health and Human Services Agency and one (1) from the Department of Animal Control to the Land Use and Environment Group for the Performance Management team – PBViews program.

**Recommendations 129 & 130**

This request will establish Appropriations of \$89,787 in Contributions to Capital Outlay Fund (Operating Transfer Out), for the Multiple Species Conservation Program, based on Fund Balance Available in the General Fund to correct a year end closing error.

**Recommendation 131**

This request will establish management reserves in the Land Use and Environment Group.

**Recommendation 132**

This request will establish appropriations of \$50,000 to fund Major Maintenance Project MX4814 to install lighting in 154 dog kennels and adjoining walkways at the South County Animal Shelter. Installation of lighting in the kennels will better showcase the animals available for adoption and improve customer and employee safety. The project is estimated to be completed this fiscal year.

**Recommendation 133**

This request will appropriate \$5,609,613 of the Community Services Groups' FY 02/03 fund balance for: group major maintenance needs (\$321,423); North County Animal Shelter replacement project contingency (\$250,000); Proposition 14 match for the Alpine and Ramona Libraries (\$655,000); multi-year operations & maintenance funding for the Documentum enterprise records management system (\$2,448,190); and contingency Management Reserves (\$1,935,000).

**Recommendation 134**

This request will appropriate \$1,500,000 of the Community Services Groups' FY 02/03 fund balance to the Facilities Management ISF to allow for the orderly reduction in service delivery systems to the level appropriate to the decreased use by customer departments.

**Recommendations 135 & 136**

These requests will appropriate \$350,000 of the Community Services Groups' FY 02/03 fund balance to the Facilities Maintenance ISF for remediation of Underground Storage Tanks (USTs) to conform to the requirements of SB989. This requirement includes primary and secondary containment systems, supply and return fuel lines. The Department of General Services performs

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

the necessary preventive and routine maintenance to ensure that the 71 tanks supporting 41 facilities and fuel stations are permitted and comply with the law.

**Recommendation 137**

This request will increase the Facilities Management ISF spending plan in the amount of \$1,450,000 to provide funding for Countywide mail and postage services. Revenues, based on customer departments' actual use of these services, will offset the increase in expenses.

**Recommendations 138 & 139**

These requests will transfer \$325,844 from the Fleet Management ISF spending plan to the Facilities Management ISF spending plan to provide funding for salaries and benefits associated with the transfer of 4.0 FTE budget and fiscal staff. This transfer is part of the Department of General Services ongoing review and reorganization to improve operational efficiency.

**Recommendation 140**

This request will cancel \$70,000 of Community Development Block Grant (CDBG) funds in the Department of Housing and Community Development to be used to supplement funding of the Cold Weather Shelter Voucher Program in the Health and Human Services Agency. The voucher program augments the capacity of existing emergency winter shelter facilities for homeless families with children, the disabled, and elderly.

**Recommendation 141**

On 12/12/00 (18) the Board directed that HHSA, the Public Safety Group, and the Department of Housing and Community Development (HCD) jointly fund a Special Needs Housing Coordinator. This request will allocate HCD's share of the FY 2003-04 funding.

**Recommendations 142 & 143**

The Board had previously allocated \$75,000 to the City/County Reinvestment Task Force (RTF) for its annual operating costs, and \$100,000 to the RTF for the use of consultants and a fund manager to form a nonprofit organization that would administer an equity capital fund to support small businesses and affordable housing development. The RTF core staff has subsequently been given direct responsibility for establishing the equity capital fund and staffing it until it secures investments. This request to transfer \$44,000 will assist the RTF in meeting the costs associated with the initial phases of the collaborative development.

**Recommendation 144**

On August 1, 2003, HUD (the U.S. Department of Housing and Urban Development) awarded the County \$674,177 additional funding for the continued implementation of the San Diego County Lead-Based Paint Hazard Control Program. This request will appropriate this unanticipated revenue in the HCD Special Revenue Fund.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**Recommendation 145**

This request will appropriate \$750,000 of the Community Services Groups' FY 02/03 fund balance to the Purchasing and Contracting ISF to allow for the orderly reduction in service delivery systems to the level appropriate to the decreased use by customer departments.

**Recommendation 146**

This request will appropriate \$2,170,000 in the Registrar of Voters to fund the costs of the unanticipated October 2003 Governor's Recall election. Funds for this request include: available FY 02/03 Community Services Group Fund Balance (\$1,791,508); and unanticipated Recovered Expenditures (\$100,000) and Election Services (\$278,492) revenue.

**Recommendations 147 & 148**

These requests appropriate \$130,000 for Capital Project KL9540, Bonita Library, from available FY 02/03 Community Services Group (\$65,000) and Finance and General Government Group ((\$65,000) Fund Balance. This appropriation is necessary for site improvements to complete the Bonita Library project.

**Recommendations 149 & 150**

The Trial Court Facilities Act of 2002, SB 1732, signed by the Governor on September 29, 2002, establishes procedures for California counties to follow in preparation for the transfer of court facilities to the State of California. This act requires a considerable amount of studies and analysis which will result in a facility by facility negotiation with the state Administrative Office of the Courts leading to facility-specific agreements regarding the transfer of ownership and management of the facilities from the county to the state. The negotiations for the transfer of all facilities are required by the legislation to be completed by June 30, 2007. This request increases the Department of General Services Facilities Management ISF spending plan by \$174,974 to cover the costs of these activities.

**Recommendations 151 - 156**

These recommendations allow the use of \$509,501 in Fiscal Year 2002-03 prior year fund balance savings to provide funding for one-time needs in the Supervisorial District offices including staffing costs and various services and supplies costs, including information technology development and maintenance costs.

**Recommendation 157**

This recommendation will transfer appropriations of \$656,766 from the Finance and General Government Group Executive Office to the Department of Human Resources related to the Payroll module of the PeopleSoft application. The funds were originally budgeted in the

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

Finance and General Government Group Executive Office, but subsequently, the management and related costs of this application were transferred to the Department of Human Resources, thus requiring the movement of these appropriations

**Recommendation 158**

This recommendation will transfer the Group Information Technology Manager position from the County Technology Office to the Finance and General Government Group Executive Office, to be consistent with similar reporting relationships in other groups. Currently, the Finance and General Government Group is the only group for which the Group Information Technology Manager does not report to the General Manager of the group.

**Recommendation 159**

This recommendation will move prior year savings of \$1,981,499 into management reserves in the Finance and General Government Group departments. These reserves are set aside for future one-time projects and for unanticipated one-time needs. Reserves are typically used to improve service to our customers and to improve working conditions for our employees including automation projects, equipment upgrades and workplace improvements, consistent with the Board's objectives.

**Recommendation 160**

This recommendation will establish appropriations of \$48,337 in County Counsel for the payment of salaries and benefits expenses pertaining to attorney incentive compensation payments.

**Recommendation 161**

This recommendation will establish appropriations of \$400,000 in Auditor and Controller for services and supplies expenses related to the development of WebFocus reporting. This application enhancement will allow cross-platform reporting across many different applications, in an effort to enhance information provided for management's use. This functionality will be especially beneficial with the use of the new Enterprise Resource Planning (ERP) applications.

**Recommendations 162 - 163**

This recommendation will provide for the early redemption of two SANCAL financings to release approximately \$3.4 million in ongoing general fund resources to be used for other County programs, and unencumber three properties as a result of the payoff of this debt. The total amount of principal outstanding to be called is approximately \$12,066,000.

**Recommendation 164**

This recommendation will move prior year savings of \$24,474 into management reserves in the Media and Public Relations Special Revenue Fund. These reserves are set aside for future one-

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/PSDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

time projects and for unanticipated one-time needs. Reserves are typically used to improve service to our customers including automation projects, equipment upgrades and workplace improvements, consistent with your Board's objectives.

**Recommendation 165**

This recommendation will transfer 2 positions from the Health and Human Services Agency to the Revenue and Recovery Department for the collection of mental health accounts receivable and to facilitate the centralization and coordination of collection efforts related to mental health accounts within the Revenue and Recovery Department.

**Recommendation 166**

A recipient returned a District 4 Community Project grant made in a prior fiscal year. This request establishes appropriations based on the unexpected revenue resulting from the return of the grant.

**Recommendations 167 & 168**

These recommendations ratify amendments to the spending plans for the General Services Fleet ISF and the Department of Public Works Equipment Acquisition ISF to align appropriations with services provided during Fiscal Year 2002-03.

**Linkage to the County of San Diego Strategic Plan**

The County is fully committed to using its resources to meet the highest priority needs of its residents as identified in the FY 2003-04 Budget and outlined by our three Strategic Initiatives – Kids, Environment and Safe and Livable Communities.

Respectfully submitted,

WALTER F. EKARD  
Chief Administrative Officer

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**AGENDA ITEM INFORMATION SHEET**

**CONCURRENCE(S)**

<b>COUNTY COUNSEL REVIEW</b>	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>GROUP/AGENCY FINANCE DIRECTOR</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>CHIEF FINANCIAL OFFICER</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>COUNTY TECHNOLOGY OFFICE</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
<b>Other Concurrence(s):</b> N/A		

**ORIGINATING DEPARTMENT:** Chief Financial Officer

**CONTACT PERSON(S):**

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**AUTHORIZED REPRESENTATIVE:** \_\_\_\_\_  
Donald F. Steuer, Chief Financial Officer



**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPST SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**AGENDA ITEM INFORMATION SHEET**  
(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

8/5/03 (7) County of San Diego Fiscal Year 2003-04 Final Budget Resolution; 12/9/03 (24) First Quarter Report on Estimated Results of Operations for Fiscal Year Ending June 30, 2004 and Budget Adjustments. May 13, 2003 (10), approved the execution of a revenue agreement with the California Department of Education; July 29, 2003 (13), approved 2004-05 Community Action Plan; February 11, 2003 (11), adopted resolution titled "A Resolution of the Board of Supervisors of the County of San Diego Regarding the Administration of the Community Services Block Grant" and authorized the Clerk of the Board to execute Community Services Block Grant revenue agreements and amendments; December 3, 2002 (28), approved the execution of revenue agreements with the California Department of Education; December 3, 2002 (28), approved the execution of the Certification Statement for the State Child Health and Disability Prevention/Early and Periodic Screening, Diagnosis and Treatment subvention; December 4, 2001 (4) and May 22, 2001 (1) Board directed staff to initiate Cool Zones Program, and identify and prepare cool zones; 11/14/00 (6), approved revenue agreements with San Ysidro School District and Poway Unified School District.

**BOARD POLICIES APPLICABLE:**

A-91, Mid-Year Budget Changes. B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery; B-51, Grants, Awards and Revenue Contracts – Departments to Certify that Project Would Be Worthy of County Financial Support.

**BOARD POLICY STATEMENTS:**

**A-91 Mid-Year Budget Changes**

A waiver of Board Policy A-91, Mid-Year Budget Changes, is requested for the mid-year appropriations of various funds' fund balance and additional revenues in Housing and Community Development. These funds are needed for payment to employees under the Quality First Program.

**B-29 Fees, Grants, Revenue Contract – Department Responsibility for Cost Recovery**

A waiver of Board Policy B-29, Fees, Grants, Revenue Contract – Department Responsibility for Cost Recovery is requested because the University of Maryland's Legacy Corps for Health and Independent Living requires a \$75,000 in kind and cash match for the two year contract. These matches will be met with Older American Act revenue and in kind match. These costs are included in the 2003-04 Operational Plan.

**SUBJECT:** FISCAL YEAR 2003-04 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT, FIRESTORM 2003 UPDATE, CONTRACT AMENDMENTS, RATIFICATION / EXECUTION / ACCEPTANCE OF REVENUE / GRANT AGREEMENTS, EARLY REDEMPTION OF BONDS, ADOPT RESOLUTION RE COMMUNITY SERVICES BLOCK GRANT, CHDP/EPSTDT SUBVENTION CERTIFICATION AND BUDGET ADJUSTMENTS (District: All)

**B-51, Grants, Awards, and Revenue Contracts – Department to Certify that Project Would Be Worthy of County Financial Support**

The Health and Human Services Agency certifies that, in the absence of external funding, these programs would be worthy of County financial support.

**CONTRACT NUMBER(S):**

N/A

**FY 2003-2004 2nd Quarter  
Projected Year-end Results**  
(in thousands)

Schedule A  
Page 1

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)
<b>General Fund</b>			
Public Safety	\$ 22,900	\$ (9,480)	\$ 13,420
Health & Human Services	52,281	(52,281)	0
Land Use & Environment	4,140	(79)	4,060
Community Services	4,653	1,098	5,752
Finance & General Government	15,356	1,373	16,729
Total Agency/Group	99,330	(59,369)	39,961
General Revenues	-	(34,286)	(34,286)
General County Expenses	21,147	(1,822)	19,326
<b>Total General Fund</b>	<b>\$ 120,477</b>	<b>\$ (95,476)</b>	<b>\$ 25,001</b>
<b>Special Revenue Funds</b>			
Public Safety	\$ 2,823	\$ (1,997)	\$ 826
Health & Human Services	28,196	(3,602)	24,594
Land Use & Environment	993	307	1,301
Community Services	23,279	(23,080)	199
Finance & General Government	304	(75)	229
Finance Other - Capital Program	5,894	(5,894)	(0)
<b>Total Special Revenue Funds</b>	<b>61,489</b>	<b>(34,340)</b>	<b>27,149</b>
<b>Internal Service Funds Departments</b>			
Public Safety Group	\$ 200	\$ 59	\$ 259
Health & Human Services	-	-	-
Land Use & Environment	2	(2)	0
Community Services	14,127	(10,396)	3,731
Finance & General Government	-	-	-
Finance Other	2,000	-	2,000
Other County	-	-	-
<b>Total Internal Service Funds</b>	<b>16,329</b>	<b>(10,339)</b>	<b>5,990</b>
<b>Enterprise Fund Departments</b>			
Land Use & Environment	\$ 2,893	\$ (1,383)	\$ 1,510
<b>Special District Funds Departments</b>			
Public Safety Group	-	10	10
Health & Human Services	-	-	-
Land Use & Environment	7,548	(402)	7,146
<b>Total Special District Funds</b>	<b>\$ 7,548</b>	<b>\$ (391)</b>	<b>\$ 7,157</b>
<b>Other County Funds Departments</b>			
LUEG - Debt. Svc. Local Boards	-	-	-
Community Svcs. - Redevelopment Agencies	\$ 6	\$ -	\$ 6
<b>Total Other County Funds</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 6</b>
<b>Total County Projected Operating Balance</b>	<b>\$ 208,742</b>	<b>\$ (141,930)</b>	<b>\$ 66,813</b>

**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**PUBLIC SAFETY GROUP**

		2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)	
Expenditure Variance	Revenue Variance		

**General Fund Departments**

Alternate Public Defender	\$ 161	\$ (80)	\$ 82
Child Support	262	171	434
Contributions for Trial Courts	801	(801)	-
Defense Attorney Contract Admin.	-	3	3
District Attorney	(1,246)	(88)	(1,334)
Law Enforcement Review Board	-	0	0
Medical Examiner	165	2	166
Emergency Services	1,027	(845)	182
Probation	4,683	(628)	4,056
Public Defender	(978)	40	(938)
Public Safety Executive Office	3,323	5	3,328
Sheriff	14,702	(7,260)	7,442
<b>Total General Fund</b>	<b>22,900</b>	<b>(9,480)</b>	<b>13,420</b>

**Special Revenue Funds Departments**

District Attorney (Asset Forfeiture - State & Federal)	-	33	33
Probation (Asset Forfeiture & Inmate Welfare Prgm)	(85)	10	(75)
Sheriff (Asset Forfeiture & Inmate Welfare Program)	2,908	(2,040)	868
Public Safety - Proposition 172	-	-	-
<b>Total Special Revenue Funds</b>	<b>2,823</b>	<b>(1,997)</b>	<b>826</b>

**Internal Service Funds Departments**

Probation	-	-	-
Sheriff(Jail Stores)	200	59	259
<b>Total Internal Service Funds</b>	<b>200</b>	<b>59</b>	<b>259</b>

**Special District Funds**

Sheriff (Regional 800 MHz)	-	10	10
<b>Total Group Projected Fund Balance</b>	<b>\$ 25,923</b>	<b>\$ (11,407)</b>	<b>\$ 14,516</b>

**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

Expenditure Variance	Revenue Variance	2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)
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**General Fund Programs**

Agency Administration	\$ 7,488	\$ (9,276)	\$ (1,788)
Adult Mental Health	(3,704)	3,704	-
Aging & Independence Services	(5,920)	6,766	846
Alcohol & Drug Division	546	(5,430)	(4,885)
Children's Mental Health	6	(6)	0
Child Welfare Services	1,711	(2,435)	(724)
Policy & Program Support	3,914	(3,438)	476
Proposition 10	145	10	155
Public Health Services	3,343	(2,053)	1,290
Regional Operations	44,116	(39,981)	4,135
Strategy & Planning	637	(143)	494
<b>Total General Fund</b>	<b>52,281</b>	<b>(52,281)</b>	<b>0</b>

**Special Revenue Funds**

Social Services Realignment	5,689	1,788	7,477
Mental Health Realignment	5,648	(1,942)	3,705
Health Realignment	9,359	(3,447)	5,912
Tobacco Securitization Fund	7,500	-	7,500
<b>Total Special Revenue Funds</b>	<b>28,196</b>	<b>(3,602)</b>	<b>24,594</b>

**Internal Service Funds**

DMI-Working Capital( Edgemoor Hospital)	-	-	-
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**Special District Funds Departments**

Ambulance Districts	-	-	-
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**Other County Funds Departments**

	-	-	-
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<b>Total Health &amp; Human Services Agency</b>	<b>\$ 80,476</b>	<b>\$ (55,882)</b>	<b>\$ 24,594</b>
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**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**LAND USE & ENVIRONMENT GROUP**

		2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)
Expenditure Variance	Revenue Variance	

**General Fund Departments**

Agriculture, Weights & Measures	\$ 606	\$ 368	974
Environmental Health	955	(36)	919
Farm Advisor	33	-	33
Land Use & Environment Group Exec Office	800	122	921
Parks & Recreation	597	(306)	291
Planning & Land Use	1,150	(228)	922
Public Works	-	-	-
<b>Total General Fund</b>	<b>4,140</b>	<b>(79)</b>	<b>4,060</b>

**Special Revenue Funds Departments**

A, W & M (Fish and Game Commission)	-	6	6
Parks & Recreation - PLDO	5	854	859
Public Works (Road, Inactive Waste, & Aviation Funds)	988	(553)	436
<b>Total Special Revenue Funds</b>	<b>993</b>	<b>307</b>	<b>1,301</b>

**Internal Service Funds Departments**

Public Works - DPW Equip. ISF Prg. (35525-35700)	2	(2)	0
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**Enterprise Funds Departments**

Public Works (Airport, Waste Water Mgmt, Transit)	2,893	(1,383)	1,510
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**Special District Funds Departments**

Air Pollution Control District	976	268	1,244
Parks and Recreation	427	(403)	24
Public Works (Sanitation, Flood Control, & CSAs)	6,145	(266)	5,878
<b>Total Special Districts Funds</b>	<b>7,548</b>	<b>(402)</b>	<b>7,146</b>

**Other County Funds Departments**

Debt Service-Local Boards	-	-	-
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**Total Land Use & Environment Group**

<b>\$ 15,576</b>	<b>\$ (1,559)</b>	<b>\$ 14,017</b>
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**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**COMMUNITY SERVICES GROUP**

		2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)	
Expenditure Variance	Revenue Variance		

**General Fund Departments**

Animal Services	\$ 379	\$ 93	\$ 472
Community Services Group Exec Office	4,754	0	4,754
Contribution to ISFs	-	-	-
General Services	-	-	-
Purchasing & Contracting	-	-	-
Housing & Community Development	1,612	(1,570)	42
Library Services	-	-	-
Registrar of Voters	(2,091)	2,575	484
<b>Total General Fund</b>	<b>4,653</b>	<b>1,098</b>	<b>5,752</b>

**Special Revenue Funds Departments**

Library Services	891	(692)	199
Housing & Community Development	22,387	(22,387)	-
<b>Total Special Revenue Funds</b>	<b>23,279</b>	<b>(23,080)</b>	<b>199</b>

**Internal Service Funds Departments**

Document Services	-	-	-
Facilities Management	3,154	(3,149)	5
Fleet Management	7,575	(3,013)	4,563
Purchasing & Contracting	3,398	(4,234)	(837)
<b>Total Internal Service Funds</b>	<b>14,127</b>	<b>(10,396)</b>	<b>3,731</b>

**Other County Funds Departments**

Redevelopment Agency	6	-	6
<b>Total Community Services Group</b>	<b>\$ 42,065</b>	<b>\$ (32,377)</b>	<b>\$ 9,688</b>

**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

		2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)
Expenditure Variance	Revenue Variance	

**General Fund Departments**

Assessor/Recorder/County Clerk	\$ 69	\$ 254	\$ 323
Auditor & Controller	1,973	514	2,487
Board of Supervisors	1,181	2	1,183
Board of Supervisors-General	-	-	-
CAC-Major Maintenance	681	17	698
Chief Administrative Officer	313	(13)	300
Civil Service Commission	2	-	2
Clerk of the Board of Supervisors	940	35	975
County Counsel	1,261	(22)	1,238
County Technology Office	868	11	879
Finance & GG Exec Office	6,088	1	6,089
Grand Jury	(10)	0	(10)
Human Resources	1,145	121	1,267
Treasurer/Tax Collector	845	454	1,299
<b>Total General Fund</b>	<b>15,356</b>	<b>1,373</b>	<b>16,729</b>

**Special Revenue Funds Departments**

Media & Public Relations	304	(75)	229
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**Internal Service Funds Departments**

County Technology Office	-	-	-
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**Total Finance & General  
Government Group**

<b>\$ 15,660</b>	<b>\$ 1,298</b>	<b>\$ 16,958</b>
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**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule A  
Page 1

(in thousands)

**GENERAL REVENUES &  
GENERAL COUNTY EXPENSES**

		2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)	
Expenditure Variance	Revenue Variance		

**General Fund**

General Revenues:

All Current Property Taxes	\$ -	\$ 3,693	\$ 3,693
All Other Taxes-Local	-	5,001	5,001
Licenses, Permits & Franchises	-	-	-
Fines, Forfeitures & Penalties	-	2,260	2,260
Revenue for Use of Money & Property	-	(2,555)	(2,555)
Intergovernmental Revenue	-	(44,745)	(44,745)
Charges for Current Services	-	(115)	(115)
Miscellaneous Revenue	-	2,175	2,175
<b>Total General Revenues</b>	<b>-</b>	<b>(34,286)</b>	<b>(34,286)</b>

General County Expenses:

Cash Borrowing Program	3,925	-	3,925
Community Enhancement	-	-	-
Contingency Reserve	8,000	-	8,000
Contributions to the Capital Outlay Fund	3,477	-	3,477
Contributions to Library Fund	-	-	-
Community Projects & Services	-	-	-
Countywide Expenses	5,746	(1,822)	3,924
Total General County Expenses	21,147	(1,822)	19,326
<b>Total General Fund</b>	<b>21,147</b>	<b>(36,108)</b>	<b>(14,960)</b>

**Special Revenue Funds Departments**

Capital Program	3,294	(3,294)	(0)
Debt Service-Pension Obligation Bonds	2,600	(2,600)	-
<b>Total Special Revenue Funds</b>	<b>5,894</b>	<b>(5,894)</b>	<b>(0)</b>

**Internal Service Funds Departments**

Unemployment & Workers Compensation	-	-	-
Public Liability	2,000	-	2,000
<b>Total ISF Funds</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>

**Total General Revenues & General County  
Expenses Operating Budget**

\$ 29,042	\$ (42,002)	\$ (12,960)
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**FY 2003-2004 2nd Quarter  
Projected Year-end Results**

Schedule B

(in thousands)

Category	Projected Management & Contingency Reserves	Projected Operating Balances	2nd Quarter FY03-04 Projected Fund Balance Favorable/ (Unfavorable)
<b>General Fund</b>			
Public Safety	4,067	9,353	13,420
Health and Human Services	5,736	(5,736)	0
Land Use and Environment	242	3,819	4,060
Community Services	4,698	1,053	5,752
Finance & General Government	4,594	12,136	16,729
<b>Agency/Group Totals</b>	<b>\$ 19,336</b>	<b>\$ 20,625</b>	<b>\$ 39,961</b>
General Revenues		(34,286)	(34,286)
General County Expenses	-	11,326	11,326
Contingency Reserve	8,000	-	8,000
<b>Total Gen'l. Revs &amp; Gen'l. County Exp.</b>	<b>\$ 8,000</b>	<b>\$ (22,960)</b>	<b>\$ (14,960)</b>
<b>Total General Fund</b>	<b>\$ 27,336</b>	<b>\$ (2,335)</b>	<b>\$ 25,001</b>

Numbers may not total due to rounding.

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULE A  
FY 2003 - 2004 2nd QUARTER**

**GENERAL NOTES**

*Agency/Group Fund Balance Components*

Fund Balance consists of two components - Management Reserves and Operating Balance. Operating Balance is the excess of Revenues over Expenditures as a result of current fiscal year operations. Management Reserves are appropriations that are set-aside at the Group or department level for unanticipated needs or planned future one-time expenses.

*Management Reserves*

The Agency/ Groups do not plan to expend all of their respective Management Reserves during this year and therefore expect that some amount will be available for use in future years. Projected Management Reserves at June 30, 2004 are shown in **Schedule B**.

*Projections of Agency/Group Operations*

Departments project changes to their operational plans based either on revised expectations or on actual revenues or expenditures to date. The significant (greater than \$300,000) variances in total expenditure, total revenue, or net variances from plan are discussed below and categorized by funds.

Most County activities are carried out within the General Fund. The General Fund fund balance is considered to be the primary "equity" cushion of the County, authorized to be drawn upon by specific Board action and according to Board priorities and policies. Projected fund balances in all other funds are restricted to uses that are consistent with the purposes of the individual funds.

**PUBLIC SAFETY GROUP**

***General Fund:***

*Child Support Services*

The Department of Child Support Services (DCSS) is reflecting a positive fund balance of \$0.43 million. Expenditures are projected to be \$0.26 million less than budgeted. Revenue is projected to be \$0.17 million more than budgeted.

The \$1.2 million positive variance in salaries and benefits is due to salary savings from decreased staff. The budget assumed an average attrition rate of 4 staff per month; however, it has been closer to 6 staff per month.

The \$1.1 million negative variance in services and supplies is due to higher operational costs than budgeted in the areas of lease costs (\$. 4m ) IT hardware

maintenance costs (\$.1m), software costs, and Facilities Mgmt and Real Property ISF costs. Fixed assets equipment has a positive variance of \$0.2 million.

The positive revenue variance is primarily due to federal revenue coming in \$0.1 million higher than budgeted.

#### *Contributions for Trial Courts*

No net cost variance is projected in Contributions for Trial Courts. A \$0.8 million projected decrease in revenues is related to an under-realization in revenues in fines, forfeitures and penalties in a variety of sources. This under-realization of revenues will be addressed through a corresponding decrease in expenditures to bring the department budget in balance.

#### *District Attorney*

The District Attorney's Office is projected to end the fiscal year with a negative fund balance of \$1.3 million. Expenditures are projected to be \$1.2 million higher than budgeted and revenues are projected to be approximately \$0.1 million lower than budgeted. It is anticipated that appropriations will be increased prior to the end of the fiscal year. If appropriations are not sufficient to cover the projected negative variance, a mitigation plan will be developed.

Salaries and benefits are projected to be over budget by \$1.6 million. The variance is the result of the increased costs of negotiated salary and benefit increases with the Deputy District Attorneys. Expenditures for salaries and benefits include \$0.11 million in overtime costs for response to the October fires. The Operational Plan assumes and requires that 121 positions remain vacant throughout the Fiscal Year. A total of 136 positions were vacant as of Payroll 13. The department also anticipates a year-end balance in Management Reserves of \$0.3 million.

Revenue is projected to be \$0.1 million under budget. The variance is primarily due to revenues projected to be over budget in two accounts and revenues projected to be under budget in three accounts as explained below.

Damages for Fraud revenue is projected to be \$1.3 million over budget due to the settlement of three cases. Recovered Expenses is projected to be \$0.4 million over budget due to an agreement with the United States' Office of Personnel Management for reimbursement of background check costs, unanticipated revenue from a case, reimbursement of investigator overtime costs by the FBI, Drug Enforcement Administration, and Regional Auto Theft Task Force, and reimbursement under the California Witness Protection Program.

The revenues projected to be under budget include: Real Estate Fraud revenue is projected to be \$1.1 million under budget due to fewer than budgeted positions being assigned to this program. State Aid – Other State Grants is projected to be \$337,000 under budget due to a reduction in the State Budget, which reduced

Vertical Prosecution funding by 50 percent. Programs impacted by this grant reduction are Career Criminal prosecution (\$94,113), Major Narcotics Violators program (\$118,104) and Statutory Rape vertical prosecution program (\$125,383).

#### *Office of Emergency Services*

A net positive variance of \$0.2 million is projected for Office of Emergency Services. The variance is the result of a projected expenditure savings of \$1.0 million and under realized revenue of \$0.8 million. The expenditure variance is the result of \$0.2 million in savings in salaries and benefits due to hiring less temporary workers than anticipated, and savings of \$0.8 million in other charges. The savings in other charges is due to the splitting of reimbursements to other government agencies for the FY02 State Domestic Preparedness Grant between this fiscal year and next fiscal year. Under realized revenue of \$0.8 million is directly related to the projected expenditure savings for the grant. These funds will be re-budgeted in the FY 2004-05 budget.

The fund balance for Office of Emergency Services included the appropriations and expenses for Firestorm 2003. Appropriations of \$3 million were established through the November 4, 2003 (22) board letter to cover costs related to the response and initial recovery efforts for the Firestorms of 2003. It is projected that the entire \$3 million will be spent.

#### *Probation*

A net positive variance of \$4.0 million is projected for the Probation Department. The positive expenditure variance results primarily from projected salaries and benefits savings of \$3.1 million due to approximately 56 frozen positions and 57 vacancies. The vacancies reflect the additional positions needed to open the East Mesa Juvenile Detention Facility. The opening date has been postponed from February to June. The department has implemented a freeze on hiring.

Services and supplies are projected to be \$.6 million under budget. The savings in services and supplies is achieved by the projected under expenditure of \$1.8 million in various accounts within the Detention Facilities budget and is directly associated with the delay in opening EMJDF. Offsetting these savings, however, is higher than budgeted costs in facility and major maintenance ISF accounts of \$1.0 million and \$.1 million in IT ISF costs elsewhere in the department's budget. Probation also anticipates positive variances of \$0.1 million in other charges and \$0.3 million in expenditure transfers and reimbursements.

The department also projects a year-end balance of \$0.6 million in Management Reserves. The Management Reserves were budgeted for Probation Case Management System (PCMS). To date, the system has gone live. At this time, it is anticipated that the remaining management reserves will not be required.

Revenue is projected to be under realized by \$.7 million. The shortfall is due primarily to reduced collections of \$.6 million for cost for supervision and pre-sentence investigations due to a lower number of referrals of adult offenders.

Other under-realized accounts which total \$2.1 million include a reduction in statewide allocations for Temporary Assistance to Needy Families of \$0.8 million due to a reduction in allocations based upon statewide populations at juvenile ranches camps and schools, the end of the Mentally Ill Offender grant of \$0.3 million and less available revenue of approximately \$0.7 million from the Local Juvenile Placement Trust Fund due to under realized savings from the previous fiscal year, and other miscellaneous revenues totaling \$0.3 million.

Offsetting the revenue shortfall are over-realized State and Federal Foster Care revenues of \$.8 million due to an increase in the number of placements of juveniles in Residential Treatment Facilities. Parental reimbursement for institutional costs is projected to exceed budget by \$0.2 million due to an increased fee rate. The fee is approximately \$2 per day. Work Project revenue is projected to be over budget by \$0.6 million due to increased enrollment rates and the operation of additional crews. Various other miscellaneous revenue accounts are projected to exceed budget by \$0.4 million.

#### *Public Defender*

A net negative variance of \$.9 million is projected for the Public Defender. The negative variance is in salaries and benefits and reflects the increased costs of the negotiated salary and benefit increases for members of the Public Defenders Association estimated at \$1.3 million. It is anticipated that appropriations will be increased prior to the end of the fiscal year. If appropriations are not sufficient to cover the projected negative variance, a mitigation plan will be developed.

#### *Executive Office*

The Public Safety Group Executive office is projecting a \$3.3 million fund balance. This is due primarily to the projected non-expenditure of \$3.2 million in Management Reserves through the end of the fiscal year. These management reserves are utilized for unanticipated expenditures. Approximately, \$0.1 million in salaries and benefits savings makes up the balance of the projected fund balance.

#### *Sheriff*

The Sheriff's second quarter 2003-04 fiscal projections reflect a fund balance of \$7.4 million, as follows:

Salary and Benefit expenditures are projected to be \$9.44 million under budget due to salary savings as a result of vacant positions, which totaled 332 at the end of the second quarter.

Services and Supplies savings of \$8.21 million are projected as a result of projected savings in the Meals on Wheels program due to delays in a planned expansion of services into North County; savings of \$0.5 million in the Sheriff's Fleet are projected due to a reduction in fleet size. Savings of an additional \$7.1M department-wide is achieved by foregoing planned current year expenditures in desktop computer (\$1.0 million) and Mobile Data Terminal (\$0.8 million) replacements, major maintenance projects (\$1.3 million), replacement of safety devices (\$2.0 million) and postponement of environmental impact studies and associated site reviews of the planned Las Colinas replacement (\$2.0 million) until FY 2004-05, when grant and county match opportunities can be evaluated.

Medical & Other Charges are projected to be \$1.8 million over budget due to an increase in the number of inmates and insufficient appropriations in this account.

Cost Applied is projected to be \$1.25 million under budget. Shortfalls of \$0.65 million are anticipated due to a reduction in reimbursements from HHSA for mental health services in the jails, and \$0.6 million is projected in Food Services due to a reduced demand for meals by the Probation Department.

A negative revenue variance of \$7.3 million is projected due primarily to a \$5.5 million shortfall in Contract Cities revenue due to a decrease in service levels requested by the cities of Del Mar, Encinitas, Imperial Beach, Lemon Grove, Santee, and Vista and a recalculation of beat factors; a \$0.58 million variance in operating transfers from Inmate Welfare is due to a decrease in the services and supplies expenditures and staff vacancies; and \$1.3 million decrease in State Criminal Alien Assistance Program (SCAAP) due to an increased number of applicant counties vying for a decreasing amount of Federal funds.

### ***Special Revenue Funds:***

#### ***Sheriff***

A net positive variance of \$0.87 million is being projected in the Sheriffs' Special Revenue Funds (\$0.83 million in the Sheriff Inmate Welfare Fund and \$0.04 million in the Asset Forfeiture Program).

- Sheriff Inmate Welfare Fund. Services and supplies is projected to be \$1.1 million under budget due to less than anticipated costs for inmate supplies (Inmate Welfare packs, razors, reading glasses, etc.) and inmate transportation. Fixed assets and equipment is projected to be \$0.6 million under budget due to a delay in purchasing laundry equipment and deferring fleet replacement for Inmate Welfare vocational programs. Operating transfer out is projected to be \$1.2 million under budget. The under expenditure of appropriations is due to savings in Inmate Welfare, \$0.6 million is due to a scale down of the commissary warehouse model, and \$0.2 million in savings due to vacant positions in the Jail Stores. A net negative variance in revenue of \$2.0 million is due to a shortfall in

Fund Balance offset by a positive variance of \$0.3 million in recovered expenditures.

- Sheriff Asset Forfeiture Program. The positive variance of \$0.4 million is due to interest and other sales revenue, which was not budgeted.

## **HEALTH & HUMAN SERVICES AGENCY**

### ***General Fund:***

#### ***Agency Administration***

The Agency Administration consists of the following: Agency Executive Office, Financial Services, Information Technology, Human Resources and Agency Contract Support. A net negative variance of \$1.8 million is projected for Agency Administration. The variance is the result of net expenditure savings of \$7.5 million due to a total of \$12.8 million in savings offset by \$5.4 million projected over expenditures in Information Technology for various ISF costs and the CalWIN project. The \$12.8 million expenditure savings include a projected year-end balance in Management Reserves of \$5.7 million and \$7.1 million savings as the result of 17 vacancies, contract reductions in GIS and copier costs, ISF savings for telecommunications and records, reduced facility-related projects for design and engineering and modular furniture, and delayed purchase of fixed assets. Revenue reflects a net negative variance of \$9.3 million. This is the result of under-realized revenues of \$12 million of State and Federal reimbursements for Social Services programs as these are aligned with expenditure savings, and \$3.0 million Securitized Tobacco Settlement, offset by \$5.7 million of increased CalWIN allocation. Information Technology is requesting expense and revenue adjustments in this Board letter.

#### ***Adult Mental Health Services***

No net cost variance is projected in Adult Mental Health. Expenditures are expected to exceed the budget amount by \$3.7 million. These over-expenditures include anticipated additional costs of \$2.6 million for the Sheriff's Department Pharmaceutical costs, \$1.9 million in contract costs due to increased clients enrolled in inpatient and outpatient services, offset by savings in salaries and benefits of \$0.8 million due to vacancies in the San Diego County Psychiatric Hospital. These projected over-expenditures are offset by \$3.7 million of additional Realignment and Federal Short Doyle Medi-Cal revenue associated with the increased contract costs.

#### ***Aging and Independence Services (AIS)***

A net positive variance of \$0.8 million is projected for Aging and Independence Services. The projected over expenditure of \$5.9 million is the result of \$7.3 million increase in In Home Support Services (IHSS) caseload offset by savings in salaries and benefits of \$1.4 million due to a delay in filling vacancies. Over-realized revenue of \$6.8 million is due to \$6.2 million increase in IHSS and a \$0.6



HRSA grant for Edgemoor. AIS is requesting expense and revenue adjustments in this Board letter.

#### *Alcohol and Drug Services*

A net negative variance of \$4.9 million is projected for Alcohol and Drug services. This variance is due to projected under-realized revenue of \$5.4 million offset by expenditures savings of \$0.5 million in salaries and benefits and services and supplies. The revenue reduction of \$5.4 million is due to \$1.4 million decrease in Proposition 36 funds, \$1.0 million decrease in State allocations, and a \$3 million reduction to align with actual funding levels. A mitigation plan addressing expenditure and revenue issues is underway.

#### *Children's Mental Health Services*

No net cost variance is projected in Children's Mental Health. The anticipated overall expenditure savings of \$0.01 million is due to projected over-expenditures in salaries and benefits of \$0.38 million offset by savings of \$0.39 in services and supplies due to delay in contract augmentations for the day treatment program. A projected decrease of \$0.01 million in revenues is associated with a decrease in contracts.

#### *County Child Welfare Services*

A net negative variance of \$0.7 million is projected for County Child Welfare Services (CCWS). The \$1.7 million savings is the result of \$3.4 million projected savings in salaries and benefits due to \$1.1 million over budget in Adoptions, lower staffing costs at Polinsky due to lower population, and 8 vacancies for the Hotline's central clerical and San Pasqual. These savings are offset by \$1.7 million over-expenditures in court-ordered services, maintenance of wards, services and supplies due to under estimated costs in utilities, and temporary staff for Polinsky. The \$2.4 million projected under-realization of revenues is due to \$1.1 million decrease in funding for SED children based on caseload decrease, the result of \$0.5 million decrease in State allocation for adoptions and foster home licensing, \$0.8 million decrease in miscellaneous revenue due to donations not coming in as projected. CCWS is looking at other funding sources to mitigate the shortfall in donations.

#### *Policy and Program Support Division*

A net positive variance of \$0.5 million is projected for Policy and Program Support Division. Projected expenditure savings of \$3.9 million includes \$0.5 million savings in salaries and benefits due to vacancies and \$3.4 million in services and supplies due to savings associated with the SMART project. The \$3.4 million under-realization of revenues corresponds to projected expenditure savings.

#### *Public Health Services*

A net positive variance of \$1.3 million is projected for Public Health Services. This is the result of \$3.3 million in expenditure savings that includes \$2.4 million

savings in salaries and benefits due to 49 vacancies in various programs and \$0.9 million savings in services and supplies due to late start up of contracts. The under-realized revenue of \$2.0 million corresponds to the projected expenditure savings.

#### *Regional Operations*

A net positive variance of \$4.1 million is projected for Regional Operations. Expenditure savings of \$ 44.1 million are anticipated at year-end. Salaries and benefits savings are projected at \$4.1 million due to 151 vacant, 115 under filled, and 18 frozen positions. These are due to efforts to align staffing with funding levels and caseload reductions. Other reductions in expenditures include \$3.1 million associated with services and supplies for desktop computing, telecommunications and office supplies as a result of the vacancies, and Pennant Alliance's reduced rates for CalWIN computers. The majority of the savings include \$36.9 million decrease in other charges for CalWORKS, General Relief, Welfare to Work payments, and Child Care costs. A decrease of \$40 million in revenues is anticipated as a result of the projected savings and other adjustments due to changes in revenue allocations.

#### *Strategy and Planning Division*

A net positive variance of \$0.5 million is projected for Strategy and Planning Division. The projected \$0.6 million in expenditure savings include \$0.4 million in salary and benefits due to vacancies. The remaining \$0.2 million is in services and supplies from non-contract line items. The projected under-realization of revenue by \$0.1 million is associated with SPD's share of overhead allocation.

#### ***Special Revenue Funds:***

A total net positive variance of \$24.6 million is projected for the three Realignment Special Revenue Funds and the Tobacco Securitization Fund.

Expenditure savings of \$20.7 million is projected in the three Realignment funds. This represents dollars that will not be utilized in the general fund for the current budget year but will be available for use in subsequent years. HHSA is attempting to maintain this fund balance due to uncertainties surrounding the future availability of VLF revenues and continued slow growth in sales tax receipts. The net negative revenue variance of \$3.6 million represents current projections of both sales tax and VLF revenues. The projected negative variance is based on projected revenue loss of \$5.9 million attributed to the State VLF Back-fill not being completely restored, offset by \$2.3 million in tax realignment revenue coming in higher than budgeted.

The expenditure savings of \$7.5 million in the Tobacco Securitization fund represent dollars that remain unallocated in the adopted Operational Plan.

#### **LAND USE AND ENVIRONMENT GROUP**

## ***General Fund:***

### ***Agriculture Weights and Measures***

A net positive variance of \$0.974 million is projected by year-end. Salaries and benefits are projected to be about \$0.762 million under budget. Of this amount approximately \$0.660 million is from delays in new hires and promotions in anticipation of 2004-05 budget reductions, and the balance of the salaries and benefits variance is due to delays in retirement payoffs (\$0.07 million) pending decisions on AB55 and savings in temporary help shifted to contract services (\$0.03 million). Services & supplies is projected to be about \$0.156 million over budget. The major reasons for these variances are: \$0.030 million (revenue offset) due to increased work requests for erosion control at the Poway Landfill that was necessary due to the October 2003 firestorms, \$0.049 million is due to the Weights and Measures program equipment purchases that are offset by unanticipated fines and forfeitures revenue, which is intended to improve consumer protection programs, an additional \$0.021 million is projected for temporary contract help, and \$0.023 million is due to cost increases in laboratory supplies, including items such as Tularemia test kits and equipment to meet veterinary pathology lab safety requirements.

Total revenue is projected to be a net \$0.368 million over budget. The significant negative variances are in State Aid-Oriental Fruit Fly (\$0.1 million), due to CDFA reducing the revenue contract, and Storm Water Inspection Fees (\$0.1 million), due to fewer registered businesses and shorter inspection times than anticipated. The over budget projected revenues are State Aid Agricultural Gas Tax (\$0.2 million), due to a larger pool of monies to be split by the 58 counties within the State, Other Forfeitures & Penalties (\$0.3 million), due to the variance between actuals and a zero budget given the uncertainties of budgeting forfeitures and penalties, and Miscellaneous Licenses and Permits (\$0.1 million) due to increased device and submeter registrations.

### ***Environmental Health***

A net positive variance of \$0.9 million is projected for the Department of Environmental Health. The variance is the result of projected savings in salaries and benefits of \$0.9 million from vacant positions. Positions being held vacant in the Radiological Health revenue agreement, to offset the possibility of funding reductions due to the State budget situation, will produce salary savings of \$0.1 million. The Vector Surveillance and Control District is holding positions vacant to produce salary savings of \$0.2 million to help conserve reserves in the Vector Surveillance and Control District trust fund. Stormwater Enforcement positions have been held vacant pending transfer to the Department of Public Works producing \$0.3 million in salary savings. The remaining \$0.3 million will come from salary savings as a result of the time it takes to fill positions vacated due to normal attrition.

#### *Land Use and Environment Group – Executive Office*

A net positive variance of \$0.9 million is projected at year-end for the three programs in the Executive Office. This variance is primarily in three areas: salaries and benefits, Management Reserves, and revenue. A variance in salaries and benefits of \$0.548 million is from vacant positions in the Office of Trade and Business (OTB) (2 positions) and the Executive Office (3 positions). The projection also estimates having \$0.242 million in Management Reserves by year-end. Finally, over-realized revenues are estimated at \$0.122 million due to unbudgeted OTB federal reimbursements and an A-87 reimbursement to the Executive Office.

#### *Parks and Recreation Department*

A net positive variance of \$0.3 million is projected by year-end. A positive expenditure variance is due to projected savings in salaries and benefits of \$0.6 million due to several factors: vacancies, filling positions at lower than budgeted levels, reduction in use of seasonals, and budgeted salary adjustments that were not needed. However, this positive variance is offset by a revenue shortfall of \$0.3 million due to several offsetting factors, primarily under realization of Park and Camping fees in the Administrative Division and Development Division and a loss of revenue from park closures and the fire ban in the Operations Division.

#### *Planning and Land Use*

A net positive variance of \$0.9 million is projected for Planning and Land Use. The expenditure variance of \$1.1 million is broken down between salaries and benefits - \$0.7 million, and services and supplies - \$0.4 million. Savings in salaries and benefits is the result of an average vacancy rate of 5.3% from July – December 2003. The department has continually strived to fill these positions, however, recruitment and retention issues prevented filling all vacancies. Savings in services and supplies is in Consultant Contracts and is the result of delays in implementing projects in the GP2020 and MSCP Programs. The revenue shortfall of \$0.2 is related to vacancies in the permit-processing program. Revenue is not generated if staffing is not available to process permits.

On October 28, 2003, the Board adopted a resolution declaring the Cedar, Paradise, and Otay/Dulzura and Roblar II Fires to be eligible for permit fee waivers. In addition to this, DPLU has been authorized to hire 12 additional staff to deal with the increased workload due specifically to the Fire.

#### ***Special Revenue Funds:***

##### *Parks and Recreation*

A net positive variance of \$0.9 million is projected by year-end due to anticipated revenue from PLDO fees exceeding budgeted revenue. Only the amount of revenue required to offset planned expenditures was budgeted in the PLDO funds.

*Public Works – Aviation Funds, Public Work Roads, and Inactive Waste Site Program*

A net positive variance of \$0.4 million is projected for the Department of Public Works Special Revenue Funds.

- Road Fund. A net positive variance of \$0.4 million is projected. A projected over-expenditure of \$0.1 million in salaries and benefits is due to Quality First, which is not budgeted. Projected savings in services and supplies of \$0.6 million is primarily due to the postponement of a Gas Tax project (Hart Drive \$0.6 million) to FY04-05, a reduction in estimated A-87 costs (\$0.2 million) and an overall increase of \$0.2 million in other services in supplies. Projected under-realization of \$0.1 million in revenue is based on a careful review of projects that will be worked on by staff this year and is offset by delaying a Gas Tax project.
- Inactive Waste Fund. A salaries and benefits variance of \$0.2 million is based on savings from current and projected vacancies throughout 2003-04. The services and supplies variance of \$0.1 million is based on savings in consultant costs. The \$0.3 million revenue shortfall is directly attributed to expenditure savings given that revenue is earned on a cost reimbursement basis.
- Special Aviation Fund. Projected savings of \$0.1 million is primarily due to capital project expenditures that won't be made this year for Gillespie Runway 27R and Borrego Apron. Projected under-realization of \$0.1 million in revenue from the State is tied to the savings in services and supplies.

***Enterprise Funds:***

*Public Works*

A net positive variance of \$1.5 million is projected for the DPW Enterprise Funds. Projected savings of \$0.2 million in Salaries and Benefits is due to vacancies. Projected savings in Services and Supplies of \$0.7 million is due to reduced requirements for security by Transportation Security Administration (\$0.3M), reduced environmental services costs for Ramona Airport (\$0.3 million); and overall savings in other accounts (\$0.1 million). Projected savings in Capital Projects of \$2.0 million is due to the cancellation of Gillespie Field LDA/DME project (\$0.6 million), the use of AEF credits to offset the purchase of land for Palomar Airport (\$1.1 million), and the rebudget of construction for two projects to FY2004-05 (\$0.3 million). Projected under-realization of \$1.3 million in revenue is due to reduced revenue from Transportation Security Administration (\$0.1 million), a reduction of revenue from FAA for Palomar land purchase (\$1.1 million) due to a decreased purchase price, and an overall reduction of revenue in other accounts of \$0.1 million.

***Special District Funds:***

#### *Air Pollution Control District*

A net positive variance of \$1.2 million is projected by year-end. The variance is a result of projected savings in salaries and benefits of \$0.98 million due to delays in hiring and under filling positions. Revenues are projected to be \$0.26 million over budget – Fines and Forfeitures (\$0.061 million), Intergovernmental Revenue (\$0.134 million) due to changes in the State subventions formula, and other miscellaneous revenue (\$0.073 million).

#### *Parks and Recreation Special Districts*

The Department of Parks and Recreation Special District Funds are projected to have a revenue shortfall of \$0.4 million in property taxes and services to property owners. This shortfall will be offset by a reduction in expenditures in an equal amount. In addition, San Miguel CSA is projected to have a small amount (\$0.02 million) in salary savings.

#### *Public Works Sanitation Districts*

A net positive variance of \$5.9 million is projected for the Department of Public Works Special District Funds. Savings in services and supplies is projected to be \$5.7 million. \$4.5 million was budgeted for potential El Nino damage, which did not occur. Other savings include \$0.4 million in routine maintenance due to reduced requests for service, \$0.4 million due to the delay of major maintenance projects; \$0.2 million in Metro costs and \$0.2 million in other services and supplies accounts. Savings of \$0.4 million in Capital Projects is due to a delay in design costs for La Presa Trunk (\$0.3 million); and Whitestone Canyon project completed under budget (\$0.1 million). A projected revenue shortfall of \$0.3 million is primarily due to a shortfall in interest revenue.

### **COMMUNITY SERVICES GROUP**

#### ***General Fund:***

##### *Animal Services*

A net positive variance of approximately \$0.5 million is projected for the Department of Animal Services. The variance is the result of: \$0.5 million savings in salaries and benefits due to positions that are scheduled for elimination next fiscal year being held vacant as the incumbents left; \$0.1 million over-expenditure in services and supplies for an unanticipated major maintenance project at the South Region shelter; and \$0.1 million in over-realized revenues.

##### *Community Services Group Executive Office*

A net positive variance of approximately \$4.8 million is projected for the Community Services Executive Office. The variance is a combination of \$0.1 million salary & benefits savings from a position held vacant pending resolution of the State Budget crisis, and \$4.7 million anticipated year-end balance in Management Reserves from prior-year savings. \$2.5 million of the anticipated Management Reserves savings is designated for future-years' operations and

maintenance of the Documentum enterprise standard content management system. The remaining \$2.2 million anticipated Management Reserves savings is a contingency against unanticipated needs, future one-time needs, and the still unknown fallout from the State Budget crisis.

#### *Housing & Community Development Administration*

No net variance is projected for the Housing and Community Development department. A positive expenditure variance of approximately \$1.6 million is offset by revenue under-realization of \$1.6 million. The expenditure variance is primarily the result of: staff savings of \$1.0 million due to vacancies being maintained to potentially absorb at-risk employees from other departments and under-filled positions; and, \$0.5 million in services and supplies related to the upgrade of the Rental Assistance software that was less expensive than originally estimated and savings in budgeted travel costs. The projected revenue under-realization is a direct result of the projected expenditure savings; revenue is earned on a cost reimbursement basis.

#### *Registrar of Voters*

A net positive variance of \$0.5 million is projected for the Registrar of Voters. The variance is the result of \$2.1 million over-expenditure from costs associated with the unanticipated Special Recall Election on October 7, 2003, offset by \$0.8 million over-realization of revenue from realigned charges for Election Services for the March 04 Primary (\$0.6 million), return of monies previously deposited in trust accounts with the U.S. Post Office (\$0.2 million) no longer necessary due to the establishment of an automated debit account, and the recommended appropriation in this letter of \$1.8 million of FY 2002-03 fund balance.

#### ***Special Revenue Funds:***

##### *County Library*

A net positive variance of \$0.2 million is projected for the Library. A positive expenditure variance of \$0.9 million in salaries and benefits from aggressively reducing the use of Library Page and Library Technician positions to the level sustainable by ongoing funding in FY 2004-05 is partially offset by \$0.7 million under-realization of revenue from Public Library Fund and other State grants.

##### *Housing & Community Development*

No net variance is projected for Housing & Community Development multi-year projects. A projected \$22.4 million expenditure savings is offset by revenue under-realization; costs are 100% revenue offset. To facilitate the multi-year project expenditure request process, all housing funds that the County is eligible to receive from the funding sources are budgeted. The expenditure savings is projected for multi-year projects that will not be completed in the current fiscal year.

## ***Internal Service Funds***

### ***Facilities Management***

No net variance is projected for the Facilities Management ISF. A projected \$3.2 million expenditure savings is offset by revenue under-realization. The projected expenditure savings include: \$0.8 million in salaries & benefits due to positions being held vacant in response to decreased customer departments' use of services; \$2.1 million in services and supplies, primarily due to less than anticipated project management staff support on major maintenance projects, savings in real estate services associated with eminent domain/condemnation and leasing projects and the cancellation of a remodel project; and \$0.3 million in operating transfer out from Major Maintenance also associated with less than required Project Management staff support. The anticipated revenue under-realization reflects \$4.6 million in decreased use of department services by customer departments during this unsettled budget year, partially offset by the recommended appropriation in this letter of \$1.5 million of FY 2002-03 fund balance to allow for the orderly reduction in service delivery systems to the level appropriate to the decreased use by customer departments.

### ***Fleet Management***

A net positive variance of \$4.6 million is projected for the Fleet Management ISF, consisting of expenditure savings of \$7.6 million partially offset by revenue under-realization of \$3.0 million. The expenditure savings include: \$0.3 million in salaries and benefits due to staff vacancies maintained in response to decreased service demand from customer departments; \$1.2 million in services and supplies related to decreased commercial service repairs; and, \$6.0 million in Fixed Assets as a result of departments deferring the purchase of replacement vehicles due to budget uncertainties. The anticipated revenue under-realization reflects decreased use of department services by customer departments, including customers' decisions to delay the purchase of vehicles. The ISF still receives revenue while the vehicle is being depreciated but not after it has been fully depreciated.

### ***Purchasing & Contracting***

A net negative variance of approximately \$0.8 million is projected for the Purchasing & Contracting ISF, consisting of expenditure savings of \$3.4 million offset by revenue under-realization of \$4.2 million. A mitigation plan addressing expenditure and revenue issues is underway. The projected expenditure savings include: \$0.7 million in salaries and benefits due to positions being held vacant in response to decreased customer departments' use of services; and \$2.7 million in services and supplies due to conservative spending on the part of the department and decreased use of purchase orders by customer departments. The anticipated revenue under-realization reflects \$5.0 million in decreased use of department services by customer departments given budget uncertainties, partially offset by the recommended appropriation in this letter of \$0.8 million of



FY 2002-03 fund balance to allow for the orderly reduction in service delivery systems to the level appropriate to the decreased use by customer departments.

## **FINANCE & GENERAL GOVERNMENT GROUP**

### ***General Fund:***

#### ***Assessor/Recorder/County Clerk***

A net positive variance of \$.3 million is projected for the Assessor/Recorder/County Clerk, due to projected over-realized revenue generated from recording activities.

#### ***Auditor & Controller***

A net positive variance of \$2.4 million is projected for the Auditor & Controller. The variance is the result of projected savings in salaries and benefits of \$1.4 million due to staff savings related to retirements and vacancies, a projected year-end balance of \$.5 million in Management Reserves, and anticipated over-realization of revenue of \$.5 million resulting from Property Tax Administration revenue.

#### ***Board of Supervisors***

A net positive variance of \$1.2 million is projected for the Board of Supervisors primarily as a result of projected savings in salaries and benefits of \$1.1 million due to vacant positions.

#### ***CAC Major Maintenance***

A net positive variance of \$.7 million is projected for CAC Major Maintenance. The variance is the result of a projected year-end balance of \$.5 million in Management Reserves and \$.2 million savings in services and supplies due to savings in various contracted services related to the maintenance of the CAC.

#### ***Chief Administrative Office***

A net positive variance of \$.3 million is projected for the Chief Administrative Office as result of a projected savings in salaries and benefits of \$.1 million related to vacancies, and projected savings in services and supplies of \$.2 million.

#### ***Clerk of the Board of Supervisors***

A net positive variance of \$1 million is projected for the Clerk of the Board of Supervisors. The variance is the result of projected savings in salaries and benefits of \$.3 million due to vacant positions, projected savings in services and supplies of \$.3 million due to utility conservation activities and a projected year-end balance of \$.4 million in Management Reserves.

#### *County Counsel*

A net positive variance of \$1.2 million is projected for County Counsel. The variance is the result of projected savings in salaries and benefits of \$.4 million due to staff savings primarily related to vacant positions and retirements, and a projected year-end balance of \$.8 million in Management Reserves.

#### *County Technology Office*

A net positive variance of \$.9 million is projected for the County Technology Office. The variance is the result of projected savings in salaries and benefits of \$.4 million due to staff savings related to the Assistant Chief Information Officer vacancy as well as to savings achieved due to normal staff turnover, and a projected year-end balance of \$.5 million in Management Reserves.

#### *Finance and General Government Group*

A net positive variance of \$6 million is projected for the Finance and General Government Group. The variance is the result of projected savings in salaries and benefits of \$.6 million due to Enterprise Resource Planning (ERP) staff savings, a projected savings in services and supplies of \$4.2 million due to information technology expenditures savings, both of which result from the delay in ERP implementation, and a projected year-end balance of \$1.2 million in Management Reserves.

#### *Human Resources*

A net positive variance of \$1.2 million is projected for Human Resources. The variance is the result of projected savings in salaries and benefits of \$.9 million due to staff savings primarily related to the reduced use of temporary professional help, a projected year-end balance of \$.2 million in Management Reserves, and anticipated over-realization of revenue of \$.1 million from the recovery of expenditures related to the Courts.

#### *Treasurer/Tax Collector*

A net positive variance of \$1.3 million is projected for the Treasurer/Tax Collector. The variance is the result of projected savings in salaries and benefits of \$.3 million due to vacant positions, a projected year-end balance of \$.5 million in Management Reserves, and anticipated over-realization of revenue of \$.5 million resulting from Property Tax System Administration revenue.

#### ***Special Revenue Funds:***

##### *Department of Media and Public Relations*

A net positive variance of \$0.2 million is projected for Media and Public Relations. The expenditure variance of \$0.3 million is due to vacant positions, as well as savings in various services and supplies expenditures. This expenditure variance is offset by an overall \$0.1 million under-realization of revenue, primarily in cable franchise fee revenue.

## **GENERAL REVENUES & GENERAL COUNTY EXPENSES**

### ***General Revenues & General County Expenses***

The General Fund fund balance for these two categories combined is projected to be a net negative \$15.0 million, comprised of a negative \$34.3 million estimate in General Revenues and a positive \$19.3 million of savings in General County Expenses.

#### **General Revenues**

The San Diego economy continues to fare well, outperforming both the California and national economies in terms of rate of economic growth. Currently, local economic indicators are growing at a slow rate, but they are still growing. Local sales tax transactions continue to show some growth and the real estate market continues to be strong due to high demand and favorable low financing costs.

#### ***All Current Property Taxes***

All Current Property taxes are estimated to provide a \$3.7 million favorable net variance.

- ***Current Secured Property Taxes***

Current Secured Property taxes are estimated at \$0.6 million over budget due to the following:

- ❑ An increase in the Local Secured Assessed Value (A.V.) growth rate. The Local Secured A.V. rate used in the budget was based on a 9.3% growth rate versus a 9.9% actual growth rate (\$2.3 million);
- ❑ A positive adjustment in the State Assessed Value (A.V.) due to the transfer of power plants assessed valuation from the Local A.V. Roll to the State A.V. Roll (\$0.6 million);
- ❑ A negative adjustment to the Unitary A.V. ratio for the 1997/98 through 2002/03 (\$1.1 million); and
- ❑ A negative adjustment due to estimated Tax Roll Corrections (\$1.2 million).

- ***Current Unsecured Property Taxes***

Current Unsecured Property Taxes are projected to be over budget by \$0.1 million, based on a higher collections estimate than previously projected.

- ***Current Secured Supplemental Taxes***

Current Secured Supplemental Taxes are projected to be \$3.0 million over budget. This projection is based on a review of current collections to open charges through January 2004 compared to last year at the same time, January 2003 and extrapolated for year-end. Overall, the

supplemental roll (Charges and Collections) is approximately 15% higher than last year at the same time. Adjustments/corrections for the Firestorms of 2003 have been incorporated in the year-end estimates.

*All Other Taxes - Local*

All Other Taxes are anticipated to exceed budget by an aggregate of \$5.0 million:

- An additional \$4.0 million in revenue is estimated in Real Property Transfer Taxes. This is based on actual receipts through December, which are 33% higher than last year at the same time. This is attributed to the continued low interest rates, strong new construction, and resale activity.
- Property Taxes Prior Secured Supplemental are projected to be \$1.3 million over budget. This projection is based on a review of collections to open charges through January 2004 and compared to last year at the same time, January 2003, knowing the final collections for FY 2002-03.
- Transient Occupancy Tax. The impact of Firestorm 2003 in October can be seen in the slow down in revenues realized thru December 2003. It is anticipated that the fire-damaged areas will continue to be impacted and realized revenues are projected to be under budget \$0.5 million thru year-end.
- Teeter Tax Reserve Excess revenues are estimated to be \$.3 million below budget. This projection is based on the lower total receivables through January 2004 compared to last year's collections and receivables at the same time.
- Redevelopment Agency Tax Increment revenues are estimated to be \$0.5 million above budget based on the year to date collections compared to last year at the same time, plus expected collections based on existing Redevelopment Agreements.

*Fines, Forfeitures & Penalties*

Fine, Forfeitures and Penalties are anticipated to exceed budget by \$2.3 million.

- Penalties and Cost Delinquency Taxes. Penalties and Cost Delinquency Taxes are projected to be \$2.3 million over budget. This increase is attributed to the overall increase in the property tax base, and assuming the same delinquency rate of about 1.4% as in FY 2002-03. These penalties represent failure to pay any current and prior years' property tax by a specific due date.

*Revenue from Use of Money & Property*

Interest on Deposits and Investments is projected to be \$2.6 million less than budget due to the difference between the interest rate assumed in the budget of

2.75% and current earnings rate of approximately 1.7%. This reduction in revenues is offset by lower borrowing costs of \$3.925 million (see below, Cash Borrowing program)

#### *Intergovernmental Revenue*

An unfavorable variance of \$44.7 million is projected due to:

- Vehicle License Fee (VLF) revenues are expected to be under budget by \$45.0 million. This is the result of State policy actions totaling \$38.5 million and a slow down in realized revenues through February 2004 for a projected additional year-end impact of \$6.5 million.

In 1998, the State reduced the vehicle license fees paid by the vehicle owners (at the rate of .65 percent versus the original 2 percent) and backfilled the revenue loss to counties and cities from State general funds. The 2003-04 State Budget eliminated the VLF backfill and reinstated the 2% license fee to vehicle owners. The VLF backfill was eliminated for the entire fiscal year, but the reinstatement of the 2% fee was made effective October 1, 2003, in order to give the Department of Motor Vehicles sufficient time to reprogram its computer system.

On November 17, 2003 Governor Schwarzenegger through an Executive Order rolled back the vehicle license fee retroactively to .65 percent but promised to backfill the VLF revenues to local governments for the remaining nine months of the fiscal year i.e. November thru July. The County anticipates a shortfall of approximately \$31.0 million as a result of this three-month funding gap. In addition, the State has chosen to keep the Realignment Program whole with respect to the portion funded by Vehicle License Fees. That decision means the loss of an additional \$7.5 million to the County's General Purpose vehicle license fee revenue for a total of \$38.5 million. Due to numerous policy directions at the Department of Motor Vehicles and the State Controller's Office and pending legislative actions, the monthly payments trends to the County are below last year at the same time by 3.5% or approximately \$6.5 million. Until the DOF, DMV and the State Controller's Office have made the proper adjustments (i.e., car sales and registrations, changes in legislation and statute) and monthly allocations are in line with the budget, an additional potential shortfall is incorporated in the year-end estimates.

- Federal In-Lieu Taxes, State Aid HOPTR, and State Aid Open Space will exceed budgeted revenue by a combined \$0.3 million based on actual revenues received to date.

#### *Charges for Current Services*

A combined unfavorable variance of \$0.1 million is projected based on the revised September A-87 Cost Allocation Plan and anticipated transfers of

revenue from the General Fund to the Department of Public Works Funds. This is attributed primarily to the rollover accounting adjustments related with the A-87 overhead costs.

#### *Miscellaneous Revenues*

Other Miscellaneous revenues are expected to generate a net \$2.2 million in FY 2003-04. Flex Benefit Funds for FYs 98-99, 00-01 and 01-02 have been closed out and the balances have been transferred to the general fund. These balances were not incorporated in the FY 2003-04 adopted budget.

#### *General County Expenses*

##### *Cash Borrowing Program*

Debt service costs are projected to be lower than budget by \$3.925 million due primarily to the current actual interest expenditure cost of 1.75% versus the 3.0% budgeted. The budget was developed prior to the actual costs being known.

##### *Contingency Reserve*

Of the \$11.0 million budgeted in the Contingency Reserve, \$3.0 million has been transferred to the Office of Emergency Services for immediate disaster recovery efforts related to Firestorm 2003. A total of \$8.0 million is expected to be unspent at year-end.

##### *Contributions to Capital Outlay Fund*

A net positive variance of \$3.5 million is projected. The variance is the result of a debt service reserve fund that offset the lease payment due on the 1997 Master Refunding financing (\$2.8 million). Such amounts are only made available at the end of the life of the financing. The remaining savings, approximately \$0.7 million, resulted from interest credits on various long-term obligations.

##### *Countywide Expenses*

A year-end savings of \$3.9 million is estimated due to:

- Savings of \$3.1 million in the ERP lease purchase payment. \$9.2 million was budgeted for the Enterprise Resource Planning (ERP) system lease-purchase payment. Only \$6.1 million is required this year, however, since the Property Tax System component of the ERP Program is on hold pending further review of available technology.
- \$0.6 million in revenue was realized as part of a forward sale on the 2002 Taxable Pension Obligation Bond to fund the 1994 Taxable Pension Obligation Bond partial termination payment.
- \$0.2 million in revenue was realized from the State Board of Equalization as a partial refund on a payment made in FY 2002/03 to the State on unreported fuel sales.

## **Special Revenue Funds**

### *Capital Program*

No net cost variance is projected in the Capital Program. Expenditure savings of \$3.1 million in the Capital Outlay Fund is anticipated for the 1997 Master Refunding and 1996 RCS. This savings is offset by a corresponding decrease in revenues. Expenditure savings of \$0.2 million in the Justice Facility Construction Fund is offset by an identical decrease in projected revenues.

### *Pension Obligation Bonds*

No net variance is projected for the Pension Obligation Bond (POB) Fund. A \$2.6 million expenditure savings is offset by a corresponding under-realization of revenue. Due to the investment market continuing to sustain low interest rates, it was decided to not execute a Forward Sale Agreement on several SANCAL bond financings at the end of FY 2002-03. Based on a contribution from the General Fund, \$50.0 million is still available to pay down a portion of the 2002 Taxable Pension Obligation Bond. It is being recommended, however, to redirect \$12.0 million of the contribution to extinguish debt in the capital outlay fund and use the remaining \$38.0 million to extinguish POB debt. Specific recommendations regarding the Capital Outlay fund debt are included in this Board letter. The specific actions necessary to pay down \$38.0 million in POB debt will be presented in a future Board letter.

## **Internal Service Funds**

### *Public Liability*

A year-end savings of \$2.0 million is due to projected expenditure savings compared to budget. These savings are attributed to lower settlements than anticipated.